

Lifelong Learning UK

Lifelong Learning UK
(A Company Limited by Guarantee)

Report and Financial statements
Year ended 31 March 2009

Company Number: 05155002
Charity (England and Wales) Number : 1113104

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CHAIR'S INTRODUCTION

The world has changed radically since Lifelong Learning UK's last Annual Review. We have all felt the impact of a global recession. Some of the UK's industries have been directly hit, meaning large numbers of young people are struggling to get work for the first time in a generation, and older workers in traditionally more stable professions are facing uncertain futures. The importance of our sector's role has been thrown into sharp relief as more and more people turn to the lifelong learning workforce to retrain them.

If there is one lesson we should learn from our current economic situation it is that we cannot afford to be complacent. There is no guarantee that our current industries, let alone individual businesses, will continue to exist in ten years time. For the UK to perform on a global basis the lifelong learning sector needs to be able to adapt its learning delivery to the way that business and society operate.

This undoubtedly has major implications for Lifelong Learning UK, as the Sector Skills Council tasked with supporting the development of the lifelong learning workforce, which makes such a huge contribution to the UK's economic and social strength.

2008-2009 also saw Barack Obama enter the White House as the 44th President of the United States and the first world leader to use social media as a major campaign tool. We can now get instant updates on what the President, arguably the most powerful man in the world, is thinking, by 'following' him on the social media website 'Twitter'. Similarly there are now Twitter accounts for individual UK Ministers, government departments – and No.10 Downing Street. The ideas of Web 2.0 or Social Web technology, once dismissed as jargon, now encapsulate the key skills required in the 21st century workplace – communication, participation, networking and sharing.

This has a significant impact on the way we all work, specifically in the lifelong learning sector. In 2009 I chaired an independent committee of inquiry to examine the impact of students' extensive use of social networking on higher education (HE). LLUK was one of the wide range of sponsors of the work of the inquiry. We concluded that HE institutions would have to be up-to-speed with the latest technological developments in order to remain competitive and meet learners' expectations. Lifelong Learning UK's Sector Skills Agreement, published in March 2008, identified that the lifelong learning sector not only needs to be e-capable, but must also be able to adapt to meet the increasingly diverse needs of learners. In an age that promotes the importance of individuals, learning has to be accessible and flexible enough to fulfil a multitude of requirements. The standards we produce in consultation with employers and the larger lifelong learning sector reflect this and provide a framework for the workforce to adapt to changing requirements from business and individuals.

I believe that if our sector is to become world class in the future, lifelong learning sector employers need to be champions of change, proactively supporting their own and the wider workforce to understand and embrace new ways of working and learning. This means actively anticipating the latest trends. To support them in this, Lifelong Learning UK provides employers with the latest research, standards, qualifications, information and advice. We are also helping employers to attract the best people in to the sector, by running recruitment and retention campaigns, such as our Catalyst programme, or by promoting apprenticeship schemes within the sector. However, there are direct challenges that we must confront in the coming year. Our status as a Sector Skills Council is under review, and not just through the relicensing process in which the UK Commission for Employment and Skills (UKCES) has agreed to extend our licence until September 2010.

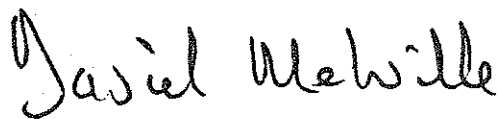
We are also subject to close scrutiny because we sit at the intersection of two major policy debates. On the one hand, there are Government plans to more than halve the number of Sector Skills Councils which mean that we must both strengthen the arguments for a sector-based approach, and adapt to reflect the reality of new policy directions. On the other hand, a significant part of our

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work has been in the development of the further education sector in England, which both UKCES and BIS are seeking to 'simplify', in order to streamline relationships between learners, employers and learning providers, through a reduction in the number of publicly funded bodies operating in that space.

Meanwhile, as the effects of the public deficit are felt in all departments, there will be a large reduction in the funding we receive from BIS, our main sponsor. There is much we can do to make virtue out of fiscal necessity, but there will also have to be a reduction in our size and structure. While we are taking every possible step to minimise the impact on our staff, we will have to make redundancies, with all the associated difficulties that brings.

The rate of change grows ever-more unsettling, and there are many causes for anxiety as a result, yet the coming year provides us with great opportunities to continue work that is, after all, very much a part of the answer to our economic and social problems —encouraging skilled professionals from across the UK to join the lifelong learning sector, developing and support those already working in the sector, and ensuring the workforce is fit for purpose, and remains competitive on a global scale.

A handwritten signature in black ink that reads "David Melville". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Sir David Melville CBE
Chair, Lifelong Learning UK

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CHIEF EXECUTIVE'S REPORT

In the coming year we face unprecedented challenges as an organisation. The sector-based approach to skills development is being re-examined, and the public funds for much of the work we do will be greatly reduced. I do not underestimate the difficulties that we will have to deal with as a result, but I am strengthened by the resolve, commitment and talent of my colleagues, who have responded magnificently to a difficult, but open and equitable redundancy consultation process designed to inform the reconfiguring of our business.

Moreover, while our licence as a Sector Skills Council has been extended until September 2010, we have still to complete the relicensing process implemented by the UK Commission for Employment and Skills (UKCES) and intended to enhance the purpose and performance of all Sector Skills Councils.

Yet all of us – learners, workers, employers and policy-makers – face new challenges, not least because the skills landscape is rapidly evolving, job roles are changing and “cradle to grave” employment is disappearing. In this emerging world of work people need to up-skill or, increasingly, to re-skill. As last year saw the global recession unfold, the reality of this became evident.

Consequently there is increased demand for the lifelong learning sector to support the rest of the UK workforce to develop or change their career through training and development. It is our role to ensure that the lifelong learning sector has the right skills and knowledge to achieve excellence and is able to adapt to the changing requirements of business and communities.

To do this we've concentrated on what's essential to support the workforce. The final stage of our Sector Skills Agreement highlighted ten areas of priority for each nation of the UK, and it is on these that we have focused over the past year. An action plan for our Sector Qualifications Strategy received approval from UKCES in 2008, and will underpin everything we do to develop standards and qualifications for the lifelong learning sector.

Our job is to understand the real problems the workforce faces, and to identify and deliver the best possible solutions in partnership with the sector. We start by conducting relevant and reliable research. In 2008 and 2009 we continued to profile the nature of the workforce, through studies such as the Standard Individualised Record in England and a survey of the community learning and development workforce in Scotland. We also undertook research to explore specific issues, such as scoping the roles, responsibilities and training requirements of those delivering the new 14-19 diplomas in England, options for improving libraries, archives and information services apprenticeship schemes.

We know employers need to attract and retain the best people. We also know that these people need to continue to be developed, to ensure their skills are current and their learning delivery is as good as it can be. As a Sector Skills Council our core responsibility is to help employers do this. We develop standards and qualifications and the tools to apply them in consultation with those in the sector. In 2008 and 2009 we published standards for areas as diverse as libraries, archives and information services, community development and learning support. This not only helps to define job roles and competencies, but also provides strategic guidance for leadership and management, and benchmarks to aid recruitment and inform staff development. Perhaps most importantly standards help to provide the workforce with externally recognised credibility and esteem. The development of an online continuing professional development resource in Northern Ireland is just one of the ways we're also trying to promote the importance of continued learning.

We know in the current climate that we cannot afford to be complacent and we are developing fresh approaches to support the workforce in its development. Last year we developed the first workforce

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strategy for further education in England; in 2008-09 we conducted a thorough review and realigned the priorities to ensure the current needs of the sector were being addressed.

In Wales, we have formed a strategic workforce development group with partner organisations which is examining whether a similar strategy would be appropriate for higher education. Last year we also revised apprenticeships and modern apprenticeships for youth work, offering young people a new pathway into the sector. Our Catalyst programmes enjoyed a great deal of success, attracting people from outside the further education system in England to provide the leadership and vocational skills that are currently in short supply.

To us, a world class lifelong learning workforce is one that is as vibrant and diverse as the society it serves. To do this it is necessary to remove the barriers that prevent social minorities being fairly represented. We are proud to lead the Forum for Sexual Orientation and Gender Equality in post-school education, and last year we worked with our partners to produce the first ever guidance on transgender equality in lifelong learning.

The UK can't compete with the low wages of overseas markets any more. If we are to emerge from the current recession, we need to offer something else not just a skilled workforce, but a smartly skilled workforce, with the right knowledge and experience that can easily adapt as economies and jobs change. This is what we have been, and will continue to work towards.

David Hunter, Chief Executive, Lifelong Learning UK

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REPORT OF THE TRUSTEES'

The Trustees present the report and financial statements of Lifelong Learning UK (LLUK) for the year ended 31 March 2009. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). This report also comprises the Directors' report as required by s234 Companies Act 1985.

DIRECTORS AND TRUSTEES

The following people served on the Council of Lifelong Learning UK in the year ended 31st March 2009.

Chair: Sir David Melville	
Colin Campbell	Retired 23 rd October 2008
John Clayton	Appointed 23 rd October 2008 - Retired 14 th July 2009
Paul Cottrell	Appointed 23 rd October 2008
Brynley J Davies	
Richard J Ellison	
David S Latchman	
Paul L J Mackney	Retired 28 th July 2008
Ronnie Magee	Appointed 2 nd January 2009
Stella Mbubaegbu	
Christina C McAnea	
Gillian M Millar	
Julia H Munro	
Mary Nasmyth	Appointed 18 th March 2009
Trevor Neilands	
Donald P Rae	
Duncan Simpson	Retired 16 th March 2009
Sir George Sweeney	
Sheila Talbot	Retired 21 st October 2008
Steve Townsley	Appointed 18 th March 2008
Martyn J Wade	
Alan Watkin	

EXECUTIVE MANAGEMENT TEAM

David Hunter	Chief Executive
Ivor Jones	Deputy Chief Executive & Executive Director of Strategy & Business Development
Tony Holloway	Executive Director, Corporate
Leah Swain	Executive Director, Operations

COMPANY SECRETARY

John Coke

Lifelong Learning UK

Administration and Advisors

REGISTERED OFFICE

5th Floor St Andrew's House
18-20 St Andrew Street
London
EC4A 3AY

BANKERS

Barclays Bank PLC
London Corporate Banking
Soho Square

AUDITORS

RSM Tenon Audit Limited
Registered Auditor
Clifton House
Bunnian Place
Basingstoke
Hampshire

Introduction

Lifelong Learning UK (LLUK) is the Sector Skills Council (SSC) for the lifelong learning sector across England, Northern Ireland, Scotland and Wales. LLUK's remit is to ensure all staff working in community learning and development; further education; higher education; libraries, archives and information services and work-based learning; across all four nations within the UK, have the appropriate skills, qualifications and professional development opportunities.

LLUK is a company limited by guarantee and is registered as a charity in England, Scotland and Wales. LLUK is governed by a memorandum and articles of association.

LLUK has a wholly-owned trading subsidiary, Standards Verification UK (SVUK), which operates verification services on behalf of government departments and other stakeholders across the UK, including work commissioned by LLUK itself.

Structure, governance and management

The Council of Lifelong Learning UK

LLUK is governed by a Council which is responsible for setting the strategic direction of LLUK. The matters reserved to Council are the approval of the overall mission and strategy of the Group; the approval of the annual report and accounts for the Group; the approval of the annual plan for the Group; the approval of any changes in structure or remit of the organisation; the approval of any changes to bankers or to the memorandum and articles and the approval of SVUK's Plan.

LLUK's articles of association require that Directors are appointed by resolution of the Council. The membership of LLUK Council is independent of LLUK's executive and comprises representatives of good standing from the four countries of the UK, as well as all LLUK's constituencies. Membership also includes representation from at least one trade union organisation.

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Upon appointment, Trustees are given a Director's Handbook, which includes information such as the memorandum and articles of association, the strategic and business plans for the organisation, the past years' annual accounts, a code of conduct and minutes and papers of Council meetings. New Trustees are also invited to meet with members of the executive as part of their induction process.

None of the members receive any payment, apart from the reimbursement of expenses, for the work they do for LLUK.

The Council of LLUK has a number of formally constituted sub-committees to which it may delegate its powers.

The Finance and General Purposes Committee

The Finance and General Purposes Committee supervises all matters relating to the finance, accounts and financial regulations of LLUK, and the receipt of its income and the expenditure thereof. It also ensures that LLUK's personnel policies and procedures are in line with best practice, are appropriate to the needs of the organisation, and treat staff fairly and equally. The Finance and General Purposes Committee presents a report to each meeting of Council.

The Audit Committee

This Committee provides independent advice and assurance on risk, control and governance matters. The Audit Committee meets at least three times a year to consider reports from the External and Internal Auditors containing recommendations for the improvement of LLUK's systems of risk management and internal control and the management's responses and implementation progress. Whilst executive officers attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Chair of Council is not a member of the Audit Committee. The Committee and Internal Auditor each present an Annual Report to Council.

The Nominations Committee

This Committee supervises the democratic process by reviewing and making recommendations to Council on all nominations to the Council of LLUK and the Board of SVUK. The Nominations Committee, in its recommendations to Council, seeks to ensure diversity, breadth and continuity of expertise amongst the membership of Council. It also undertakes succession planning with respect to the membership and leadership of committees.

The Remuneration Committee

This Committee sets the remuneration of the Chief Executive and the Leadership Team. This Committee is also responsible for setting the annual targets of the Chief Executive and reviewing his or her progress against these targets.

The Country Committees in Northern Ireland, Scotland and Wales

The Country Committees are responsible for advising Council on issues and developments relevant to each country and to inform LLUK strategic and business plans, ensuring that the needs and priorities of each country are taken into account.

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The Constituency Panels

The LLUK Council is also advised and supported by a number of employer and stakeholder panels representing the different countries of the UK, and the different constituencies within its remit, although these do not form part of the formal governance structure.

Management

The principal administrative officer of LLUK is the Chief Executive, who has a general responsibility to LLUK for maintaining and promoting the efficiency and good order of LLUK.

As chief executive of LLUK, the Chief Executive exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Executive Directors and the senior officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Council.

LLUK maintains a register of interests of members of the Council and senior officers which may be consulted by arrangement with LLUK's Company Secretary.

Risk statement

LLUK's Council is responsible for LLUK's system of internal control and for reviewing its effectiveness. It has established the processes for the identification, evaluation and management of the key risks facing LLUK. The Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve business, operational, compliance and financial objectives, and it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Council has adopted a risk management policy, and has identified where the principal management responsibility rests for risk management. Senior management provides to the Audit Committee reports on the progress in implementing the risk strategy, which in turn provides advice to the Council on the effectiveness of the policies, and also monitors the implementation of risk management. LLUK's internal auditor reviews the adequacy and effectiveness of the risk management process and the system of internal control, makes recommendations for improvement, where needed, and provides regular reports thereon to the Audit Committee.

The internal auditor also provides Council with an independent opinion each year on the adequacy and effectiveness of LLUK's risk management, control and governance processes. The Council has ensured that the meeting calendar enables risk management and internal control to be considered on a regular basis during the year.

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Objectives and Activities for the Public Benefit: Objectives, Remit and Goals

Objects

LLUK's objects (as stated in its Memorandum) are to advance the education and training of all those working in the field of lifelong learning:

- thereby improving the educational standards of the workforce available to employers in the sector;
- thereby advancing the education of those in lifelong learning;
- thereby improving the educational standards of the workforce available to employers in general; and,
- thereby generally promoting industry and commerce.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

LLUK's Core Remit

LLUK's core remit is outlined in its operating licence awarded by the UK Government and defined by our monitoring body, the UK Commission for Employment and Skills. The UK Commission for Employment and Skills has set out a clear remit for LLUK focused on taking a lead role on behalf of the sector in:

- Raising employer engagement, demand and investment in skills;
- Ensuring authoritative labour market information for our sector;
- Developing national occupational standards and ensuring qualifications meet employer needs.

LLUK's remit is wide: LLUK has strategic responsibility for all those who work in further education, higher education, work based learning, libraries, information and archive services, community learning and development and youth work. We estimate that a total of around 1.2 million people work in our sector, which covers Scotland, Wales and Northern Ireland as well as England. The learning context in the UK is also diverse: learning is delivered in the community and in the workplace as well as in educational institutions, and delivery involves support staff as well as teachers, tutors and trainers; volunteers as well as paid employees.

LLUK's Goals

LLUK's mission is to ensure that UK employers have access to the skills and knowledge needed for a prosperous economy and an inclusive and self-fulfilled society. LLUK aims to enable lifelong learning sector employers to recruit, retain, develop and apply suitably skilled and effective staff, and act as a broker with the other Sector Skills Councils in the Alliance of Sector Skills Councils.

LLUK's activities are driven by five goals:

- To reduce skills gaps and shortages;
- To increase opportunities to boost the skills and productivity of everyone in the sector's workforce;
- To improve productivity, business and public service performance;
- To improve learning supply;
- To improve LLUK's performance and delivery.

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In order to achieve these five goals, LLUK undertakes a number of activities.

A key strand of LLUK's work involves acting as the voice of our employers and seeking to influence policy makers in England, Scotland, Wales and Northern Ireland. LLUK is an employer led body, and while LLUK can provide the information and strategic tools mentioned above, it is ultimately for employers in our sector to take action in relation to their own workforce. LLUK also recognises that the opportunities open to our employers are shaped above all by government policies in that part of the United Kingdom.

It is LLUK's responsibility to set in place the labour market information, the framework of standards and qualifications and the strategic context which will both inspire and enable learning providers to maximise the contribution made by these diverse individuals.

In addition, LLUK undertakes additional tasks which are necessary for or aligned with these core tasks. These are managed as projects. During the year all these additional projects were supported by funds from UK government departments or agencies. In addition, a number of projects were delegated to the subsidiary SVUK. The majority of these projects make a contribution to the management costs of the organisation.

Objectives and Activities for the Public Benefit: Achievements and Performance 2008-2009

Strategic Activity

Building on our work in previous years we focused on our strategy into the future, and developed our priorities for action. Our ten Sector Skills Agreement solutions were prioritised, our Sector Qualifications Strategy Action Plan, focused on improving the educational standards of the sector workforce, was approved by the UK Commission for Employment and Skills and to underpin our work we developed and published our Research Strategy.

Employer Engagement

Research shows that if they invest in training, businesses are 2.5 times less likely to fail. Last year we did much to raise awareness of the importance of training for both learning professionals and those in the workforce, which benefits the workforce, the sector employers, and industry and commerce as a whole. In all nations our employer engagement was strengthened, supported by our labour market information and the restructuring of our organisation, ensuring that all areas of our work are represented.

Between 2006 and 2008 employer awareness of Lifelong Learning UK and the issues it addresses increased from 77% to 86%. Engagement activities included employer information events and the launch of our Sector Skills Agreement in Northern Ireland, sponsoring the Holyrood conference 'The Future of Adult Learning in Scotland: A Demand-led Skills Strategy', working with higher education bodies in Wales to establish a Strategic Workforce Development group and in England promoting the value of lifelong learning through the publication of inspirational stories about further education.

Stakeholder Engagement

We represented employer needs and continued to consult across government departments in all nations to ensure our employers' voices are heard and that government attention and funding are brought to bear on the real issues in the sector, to the benefit of the sector workforce and the sector employers themselves, and ultimately to the benefit of industry and commerce as a whole. We agreed an action plan for the delivery of the Business Innovation and Skills' strategic priorities for the wider further education sector in England. From a policy perspective, we submitted a response to the Adult and Community Learning consultation run by the Department for Children, Education,

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Lifelong Learning and Skills, and were asked to provide commentary for the responses from a number of our key stakeholders. In Scotland we produced responses supporting the sector to two Scottish Government policy formation consultation papers 'A consultation on the next generation of national qualifications in Scotland' and 'The right to request time to train for employees in Scotland'. With stakeholders in Wales we developed a response to the Skills and Employment Strategy consultation paper. We were also asked by the work based learning constituency in Northern Ireland to coordinate and lead on discussions with Government on the role of the sector over the next 5 years.

Collaborative Working

We worked collaboratively with a number of employers and key stakeholders to develop strategies and deliver benefit across the sector. In 2008-2009 we signed memoranda of understanding with The Single Voice, who represent further education, and with Universities Scotland. We also signed memoranda with the Welsh Assembly Government to facilitate the development of the Workforce Development Strategy for Community Development in Wales, and with Estyn in Wales, and with the Standards Council for Community Learning and Development in Scotland to embed our standards. We also developed strategic partnership agreements with the Museums, Libraries and Archives Council and, to support increased employer engagement with the further education and higher education constituencies, with the Scottish Funding Council. We continued to play an active and leading role in the Alliance of Sector Skills Councils in 2008-2009 as demonstrated by David Hunter when he chaired the Supply Side Reform Group and the Northern Ireland Group, and through his membership of the Operations Committee. Our Head of Research and Intelligence was a member of the Research Sub Group for Relicensing as well as the Intelligent Network Steering Group and our Director Scotland chaired the Alliance Scotland Labour Market Intelligence Strategy Group. Our Director, Wales, represented the Alliance of Sector Skills Councils and gave evidence to the Welsh Affairs House of Commons Committee in response to the Committee's inquiry into the provision of cross border further and higher education services for Wales.

Labour Market Information

We continued to increase opportunities to target the benefits of education within the sector, and to boost skills and productivity by collecting and communicating authoritative labour market information from our sector. In 2008-2009 we helped our employers and stakeholders understand where and what education is needed, what limits there are in its availability and accessibility, and what prevents education being taken up, through:

- Collection, analysis and production of the Staff Individualised Records (SIR) from further education colleges
- Community Learning and Development workforce profile and skills surveys
- A report on research to understand the roles, responsibilities, skills and training requirements of those delivering 14-19 Diplomas
- Research into the Barriers and Options for Improvements in Libraries, Archives and Information Services Apprenticeship Schemes
- An annual diversity profile of the further education college sector
- A profile of the Community Learning and Development Work Force in Scotland 2008
- Report on issues and barriers to entry into the further education workforce for disabled people
- Libraries, archives and information services workforce development benchmark survey
- A report on scoping of options for a provider tool-kit to help further education providers in England in their workforce development and planning
- An economic forecasting feasibility study and report to support future strategic development

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- Analysis of the National Employer Skills Survey (NESS) and the UKCES Working Futures report
- Publication of our Research Communications Strategy defining the rationale, intended audiences, communications mechanisms, monitoring and evaluation methods essential for effective dissemination and communication of research findings to internal and external audiences.

Standards and Qualifications

A key achievement this year in work to further professionalise the workforce in our sector has been the development of a number of national occupational standards, as outlined in our UKCES-approved national occupational standards action plan, and the development of a number of products to support and promote the sector. The standards are at the heart of focusing and measuring educational status and improvement within the sector workforce, and they are therefore fundamental to improving the workforce's ability to access and develop the UK workforce in general. These achievements include:

- The first combined suite of National Occupational Standards for Libraries Archives and Information Services employers.
- Learner Involvement National Occupational Standards, developed with employers and stakeholders across the further education, work based learning and adult and community learning sectors which will provide UK-wide standards for student liaison work within further education.
- Learning Support National Occupational Standards were completed and awarding bodies are now building on these to develop new qualifications for those in a learning support role. We also provided guidance on qualifications for learner support practitioners so supporting the further professionalisation of this role in the sector.
- Community Development National Occupational Standards were revised to reflect changes in legislation and working practices within the sector.
- Newly developed Learning Delivery National Occupational Standards now overarch existing professional standards in all four nations.
- National Occupational Standards for Youth Work were endorsed by the Northern Ireland government. The UK-wide standards were launched jointly in Northern Ireland by us and the Youth Council for Northern Ireland to support the development of a highly skilled and flexible workforce in Northern Ireland.
- In partnership with Skills for Justice, the Scottish Council for Voluntary Organisations and Learning Link Scotland, we hosted an event for Scottish third sector organisations to discuss how national occupational standards can support organisations in the development of their workforce.
- To help the sector use our standards we secured funding from the Welsh Assembly Government's Department for Children, Education, Lifelong Learning and Skills to deliver two new application guides (covering Education for Sustainable Development & Global Citizenship and Information Learning Technology) to supplement our existing applications which support the new professional standards for Teachers, Tutors and Trainers in Wales.
- We published a companion guide to the Application of the Professional Standards for Teachers of English for teachers of literacy and ESOL in England to support their professional development.
- Supporting work to integrate qualifications development in the children and young people's workforce we jointly developed a suite of family learning qualifications.
- A new working group to refresh the Scottish Modern Apprenticeship for Youth Work was formed.

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- Sector employers were supported in working with the updated teacher training qualification regulations and piloted a 'Preparation to Teach' qualification for the work based learning sector and for part-time further education staff in Northern Ireland.
- Together with partners, we created guidance to explain how the Further Education Workforce Reforms impact on those who deliver Adult and Community Learning, Offender Learning, and who deliver learning in the Third Sector.
- With the Training and Development Agency for Schools we published an updated guide to assist with the planning of professional development for Diploma teachers and practitioners.

Capacity and Capability

Achievements in 2008-2009 include the refreshing of our Further Education Workforce Strategy for England, the development of baseline research to support the strategy and the development of toolkit options to support employers' take up of the actions outlined in the strategy. We piloted a CPD tool in Northern Ireland with employers in further education, work based learning, community learning and development and libraries, archives and information services. We have also made progress to build the capacity and capability of the sector through our Catalyst programme projects:

- Our Make a Difference project encouraging high flying graduate calibre individuals to make a career in the further education sector attracted over 600 applications and more than 40 successful candidates filled sector vacancies.
- Over 500 placements were delivered as part of a pilot scheme for our Business Interchange project. This project, now rolled out nationally, offers teachers and trainers structured experience and training in relevant business sectors and creates parallel opportunities for industry experts to give time to local colleges and providers.
- All 332 available places were filled on our initial Pass on Your Skills programme which gives technical and vocational specialists opportunities to teach in colleges and enable providers to fill key vacancies and to prepare the next generation for their industry.
- To encourage more further education providers to sign up to the Catalyst programme a new website was launched targeting over 22,000 sector contacts and allowing employers to sign up online.

Future Plans

Our future prospects and economic stability depend heavily on a growth in productivity levels and the development of individuals' transferable skills. Building on our achievements and working towards our mission to make the lifelong learning sector the best in the world we need to enable the development of the right skills to restart the economy. The coming year therefore provides a timely opportunity to encourage skilled professionals across the UK to join the lifelong learning sector, to develop and support those people already working and learning in the sector and help ensure our workforce is fit for purpose, and remains competitive in a global skills market.

In 2009-2010 we will develop further national occupational standards and qualification frameworks for initial training and continued professional development. We will continue to engage with employers and stakeholders and actively represent our employers' voice and influence government policy. We will ensure that funds are used well and wisely in making the lifelong learning workforce as effective as possible and we will go the extra mile to ensure the quality of our work. We will work collaboratively with our employers and stakeholders and other Sector Skills Councils as our actions are developed, delivered and evaluated.

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Relicensing

This year, the performance of all 25 Sector Skills Councils was assessed by the relicensing process. Sector Skills Councils' capacity and capability to deliver on the core remit were assessed against four themes:

- A well-run Sector Skills Council;
- The ability of the Sector Skills Council to deliver core products and services;
- The ability of the Sector Skills Council to deliver sector specific solutions based on employer demand;
- The ability of the Sector Skills Council to build partnerships with stakeholders across the broader UK skills system to deliver real results and impacts for employers.

However, due to circumstances to which the Chairman and Chief Executive allude above, UKCES have accepted that our position is unique among SSCs and have agreed to extend our licence until September 2010.

In the meantime there will be an options review carried out between LLUK, UKCES and BIS on the future of the activities currently operated by LLUK. The terms of reference and remit of this review are being discussed with UKCES.

Therefore UKCES have accepted that there is currently "no decision" on relicensing for LLUK.

Financial Review

The financial results for the year ending 31 March 2009 show a Group surplus of £570,147 which brought the total reserves to £2,390,760. Total incoming resources were £19,532,757 and total resources expended were £18,962,610.

Reserves Policy

LLUK has a reserves policy of maintaining reserves at a level which would meet the costs of maintaining and closing down offices over a 3 – 6 month year. The sum which would be required to do this has been identified by the Finance and General Purposes Committee as £700,000 plus the net book value of fixed assets. As the net book value of fixed assets stood at £328,441 at 31st March 2009, the target reserves at the financial year end would thus be £1,028,441. Actual total reserves as at 31st March 2009 were £2,390,760 exceeding the target by £1,362,319 and therefore giving sufficient comfort as to the sustainability of operations.

Investment Policy

LLUK's investment strategy is reviewed and agreed by Council acting on the advice of the Finance and General Purposes Committee. The overriding principle guiding the investment of surplus funds is to achieve a satisfactory return while reducing the risk to a level acceptable to the Council.

Surplus funds not required for immediate working purposes are invested in institutions which meet the credit rating criteria as set out by the Finance and General Purposes Committee.

Auditors

Our Auditors have changed their name to RSM Tenon Auditor Limited and have signed the audit report in their new name.

Lifelong Learning UK

Statement of Trustees' Responsibilities

Law applicable to incorporated charities in England and Wales requires the Trustees, who are also Directors for the purposes of company law, to prepare financial statements for each financial year which give a true and fair view of the state of affairs for the Charity and of the Group and of its financial activities during the year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the Charity and the Group will continue in operation.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity, and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In accordance with company law, as the Company's Directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- As the Directors of the Company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

By order of the Trustees



D Melville
Chairman

Dated...25/02/10

Lifelong Learning UK

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFELONG LEARNING UK LIMITED

We have audited the financial statements of Lifelong Learning UK Limited for the year ended 31 March 2009 on pages 20 to 35. The financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

The Trustees' (who are also the Directors of the Company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

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

Basis of audit opinion

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

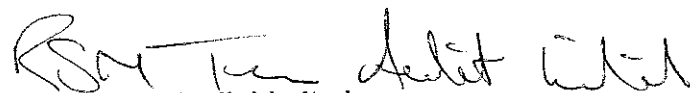
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Lifelong Learning UK

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Group and Company as at 31 March 2009, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- and the information given in the Trustees' Annual Report is consistent with the financial statements.
- in all material respects the funds received from the Department of Business, Innovation and Skills under the Grant Funding Agreement (dated 16 May 2008) and the supplementary Grant Letter (dated 16 May 2008) have been spent in accordance with the terms of the grant.



RSM Tenon Audit Limited
Registered Auditor
Clifton House
Bunnian Place
Basingstoke
Hampshire

Date 26/2/10

Lifelong Learning UK

Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2009

	Notes	Year ended 31 March 2009 Total Unrestricted Funds £	Year ended 31 March 2008 Total Unrestricted Funds £
Incoming resources			
Incoming resources from generated funds:			
Grants	3	1,922,336	1,214,500
Investment income	4	176,065	80,570
Incoming resources from charitable activities	5	<u>17,434,356</u>	<u>19,715,022</u>
Total incoming resources		<u>19,532,757</u>	<u>21,010,092</u>
Resources expended			
Charitable activities	6	(18,840,086)	(20,435,270)
Governance costs	6	(122,524)	(254,560)
Total resources expended		<u>(18,962,610)</u>	<u>(20,689,830)</u>
Net income before transfers		<u>570,147</u>	<u>320,262</u>
Transfers between funds		<u>-</u>	<u>-</u>
Net movement in funds in the period		<u>570,147</u>	<u>320,262</u>
Reconciliation of funds			
Total funds brought forward	12	1,820,613	1,500,351
Total funds carried forward at 31 March 2009		<u><u>2,390,760</u></u>	<u><u>1,820,613</u></u>

The above results are derived from continuing activities.

The accompanying notes are an integral part of the consolidated statement of financial activities.

Lifelong Learning UK

Company number 05155002
Group Balance Sheet at 31 March 2009

	Note	As at 31 March 2009 £	As at 31 March 2008 £
Fixed assets			
Tangible assets	8	328,441	383,068
		<u>328,441</u>	<u>383,068</u>
Current assets			
Debtors	10	1,872,316	5,774,341
Cash at bank and in hand		<u>11,163,290</u>	<u>3,953,625</u>
		13,035,606	9,727,966
Creditors: amounts falling due within one year	11	<u>(10,973,287)</u>	<u>(8,290,421)</u>
Net current assets		2,062,319	1,437,545
Net assets		<u>2,390,760</u>	<u>1,820,613</u>
The reserves of the Charity			
Unrestricted income funds			
Designated		73,405	137,694
General		<u>2,317,355</u>	<u>1,682,919</u>
Total Charity Reserves	12,13	<u>2,390,760</u>	<u>1,820,613</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 25/02/10 and were signed on its behalf by:



D Melville
Chairman

Lifelong Learning UK

Company number 05155002
Company Balance Sheet at 31 March 2009

	Note	As at 31 March 2009		As at 31 March 2008	
		£	£	£	£
Fixed assets					
Tangible assets	8		328,441		383,068
Investments	9		<u>1,000</u>		<u>1,000</u>
			329,441		384,068
Current assets					
Debtors	10	1,719,354		5,720,131	
Cash at bank and in hand		<u>10,746,897</u>		<u>3,624,390</u>	
		12,466,251		9,344,521	
Creditors: amounts falling due within one year	11	<u>(10,531,941)</u>		<u>(8,019,926)</u>	
Net current assets			1,934,310		1,324,595
Net assets			<u>2,263,751</u>		<u>1,708,663</u>
The reserves of the Charity					
Unrestricted income funds					
Designated			73,405		137,694
General			<u>2,190,346</u>		<u>1,570,969</u>
Total Charity Reserves	12,13		<u>2,263,751</u>		<u>1,708,663</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 25/02/10 and were signed on its behalf by:

D David Melville

D Melville
Chairman

Lifelong Learning UK

Consolidated Cash Flow Statement for the year ended 31 March 2009

	Note	2009 £	2008 £
Net cash inflow from operating activities	19	7,161,274	2,336,619
Returns on investments and servicing of finance			
Interest received		176,065	80,570
Taxation		-	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(127,674)	(196,519)
Increase in cash in the year		<u>7,209,665</u>	<u>2,220,670</u>

Reconciliation of net cash flow to movement in net funds

	Note	2009 £	2008 £
Increase in cash in the year	20	7,209,665	2,220,670
Net funds at beginning of year		3,953,625	1,732,955
Net funds at end of year		<u>11,163,290</u>	<u>3,953,625</u>

Lifelong Learning UK

Notes to the Financial Statements

1. Status

Lifelong Learning UK (the Charity) is a company limited by guarantee (number 05155002) and registered with the Charity Commissioners (number 1113104).

The members of the Company are the Trustees who are named on the first page of the statutory accounts. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

2.1 Basis of preparation

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

LLUK is a Sector Skills Council (SSC) which operates under a licence from UK Commission for Employment and Skills (UKCES). There are 25 Sector Skills Councils across the UK and in 2008 a re-licensing process for all SSCs was started to determine whether the work of the SSCs should continue within the current devolved format.

As part of this re-licensing process, LLUK has had its licence extended to September 2010. It is not yet clear whether the licence will be extended beyond this point. Since the re-licensing process commenced, LLUK has been made aware that it will see a significant reduction in its funding and as a result in December 2009 started a redundancy process to significantly reduce its workforce.

LLUK has received assurance from the Department of Business, Innovation and Skills (DBIS) that it will be funded as necessary through any transition period whilst decisions are made as to how the Company should operate in the future. The outcome of the decision process may mean that the work of the SSC does not continue through the current Limited Company and operations may be combined with other bodies.

The Directors are confident that the operations of LLUK will continue albeit at a reduced level and through a structure yet to be confirmed. With the support of DBIS if required the Directors are also satisfied that they have sufficient funding to operate through the transition period. On this basis the financial statements have been prepared on a going concern basis.

2.2 Group financial statements

The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking, Standards Verification UK Limited. The results of the subsidiary are consolidated on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

Lifelong Learning UK

Notes to the Financial Statements (continued)

2.3 Fund accounting

General funds comprise accumulated surpluses which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Where funds are received for specific capital items where the assets are then available for use for general purposes, the income is treated as restricted and then transferred to an unrestricted reserve once the assets have been purchased. The cost of these assets is then transferred to a designated fund against which annual depreciation is charged.

2.4 Incoming resources

All incoming resources including grants receivable are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Where not all conditions of receipt have been met the balance is deferred.

2.5 Resources expended

Expenditure is recognised when a liability is incurred, and on the accruals basis. Irrecoverable VAT is charged as a cost to the Statement of Financial Activities.

Direct project costs are allocated against each project. Support costs are allocated on the basis of the allowable overhead terms within each project contract.

2.6 Charitable activities

The charitable activities of the Company are spread across the following core areas. These activities are referred to by their Core task reference throughout the financial statements.

Core Task 1	Secure and interpret accurate and authoritative labour market information and intelligence relevant to our employers.
Core Task 2	Promote careers in the sector, improve recruitment and retention.
Core Task 3	Increase investment in skills.
Core Task 4	Drive leadership and management development within the sector.
Core Task 5	Increase the diversity of the workforce.
Core Task 6	Build and maintain the standards based Sector Qualification Strategy.
Core Task 7	Build the capacity and capability of the sector.
Core Task 8	Ensure internal systems and procedures support effective performance and delivery.

Lifelong Learning UK

Notes to the Financial Statements (continued)

2.7 Tangible fixed assets

Individual fixed assets costing more than £1,000 are capitalised and included at cost, including any incidental costs of acquisition.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Asset type	Annual rate
Fixtures and fittings	Over length of lease
Computer equipment	33%
Office equipment	25%

Assets are reviewed for impairment if there are indications of impairment during the year.

2.8 Investments

Investments held are recorded at cost less any diminutions in value arising since acquisition.

2.9 Pension cost

Retirement benefits to some employees of the Company are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the scheme are calculated so as to spread the cost of pensions over employees' working lives with the Company in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As noted on Note 17, the TPS is a multi employer scheme and the Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The Company also operates a defined contribution pension scheme. The scheme funds are administered by managers independent of the Group's finances. The pension charge represents contributions payable by the Group to the funds for the year (see notes 7 and 17).

2.10 Finance and operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the year in which the cost is incurred. Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the Statement of Financial Activities over the period of the lease so as to produce a constant periodic rate of charge.

Lifelong Learning UK

Notes to the Financial Statements (continued)

3. Donations, legacies and grants

	2009 Unrestricted £	2008 Unrestricted £
Government grants	1,922,336	1,214,500
	1,922,336	1,214,500

4. Investment income

All of the group's investment income arises from interest earned from money placed on deposit.

5. Incoming resources from charitable activities

Core tasks are defined in the accounting policies note.

	2009 Unrestricted funds £	2008 Unrestricted funds £
Charitable activity		
Core Task 1	1,177,209	558,972
Core Task 2	9,375,594	8,329,387
Core Task 3	-	8,276,032
Core Task 4	772,251	210,791
Core Task 5	6,431	70,475
Core Task 6	4,200,486	1,716,842
Core Task 7	1,902,385	552,523
Core Task 8	-	-
	17,434,356	19,715,022

£ 2,158,016 (2008: £2,855,722) of the above £17,434,356 (2008: £19,715,022) was not funded by BIS

Lifelong Learning UK

Notes to the Financial Statements (continued)

6. Resources expended

Year ended 31 March 2009

	Direct costs	Support Costs	Total costs
	£	£	£
Charitable activity			
Core Task 1	828,503	353,797	1,182,300
Core Task 2	7,135,043	2,229,871	9,364,914
Core Task 3	-	-	-
Core Task 4	537,650	234,634	772,284
Core Task 5	306	133	439
Core Task 6	2,965,207	1,057,568	4,022,775
Core Task 7	1,579,376	419,302	1,998,678
Core Task 8	228,032	1,270,664	1,498,696
Total Charitable Activity	13,274,117	5,565,969	18,840,086

Analysis of Support Costs

	Total unrestricted
Salaries	2,391,640
Premises	544,300
Depreciation	182,301
Travel & subsistence	184,307
Staff welfare and training	79,256
IT	219,284
Insurance and professional fees	29,039
Other	1,935,842
Total	5,565,969

£ 3,563,748 (2008: £3,650,795) of the above £18,840,086 (2008: £20,435,270) was expended on charitable activity not funded by BIS

Lifelong Learning UK

Notes to the Financial Statements (continued)

Year ended 31 March 2008

	Direct costs	Support Costs	Total costs
	£	£	£
Charitable activity			
Core Task 1	505,380	51,694	557,074
Core Task 2	6,373,814	1,881,984	8,255,798
Core Task 3	7,035,702	1,171,583	8,207,285
Core Task 4	208,937	1,297	210,234
Core Task 5	45,832	20,438	66,270
Core Task 6	1,350,014	328,198	1,678,212
Core Task 7	842,923	617,474	1,460,397
Total Charitable Activity	16,362,602	4,072,668	20,435,270

Analysis of Support Costs

	Total unrestricted
Salaries	2,284,519
Premises	368,386
Depreciation	204,591
Travel & subsistence	260,612
Staff welfare and training	72,570
IT	265,205
Insurance and professional fees	22,530
Other	594,255
Total	4,072,668

Governance costs

	2009 unrestricted	2008 unrestricted
Committee costs	26,074	23,034
Legal costs	27,339	43,423
Audit fees	55,637	34,902
Accountancy	-	3,927
Consultants	13,474	149,274
	122,524	254,560

Lifelong Learning UK

Notes to the Financial Statements (continued)

7. Staff numbers and costs

The average number of persons (including Executive Directors) employed by the Group and the Charity during the year was as follows:

	2009 Group No	2008 Group No
Charitable activities	88	63
Support	61	46
	<u>149</u>	<u>109</u>

The aggregate payroll costs of those persons were as follows:

	2009 Group £	2008 Group £
Wages and Salaries	5,316,442	3,725,871
Social Security costs	570,975	386,703
Other pension costs	355,143	232,926
	<u>6,242,560</u>	<u>4,345,500</u>

No Trustee (Director) received any remuneration during the current or previous year.

Reimbursed expenses of £11,325 (2008: £11,648) were paid to the Trustees (Directors) during the year. Trustee (Director) Indemnity Insurance of £1,764 (2008: £1,764) has been paid in the year.

The number of higher paid employees in the following ranges was:

	2009	2008	Private Health Insurance Cost £	Pension Cost £
£70,001 - £80,000	-	2	-	-
£80,001 - £90,000	3	2	785	13,235
£90,001 - £100,000	1	-	200	6,015
£100,001 - £110,000	-	-	-	-
£110,001 - £120,000	2	-	-	7,015
£120,001 - £130,000	-	-	-	-
£130,001 - £140,000	1	1	2,120	16,978
£140,000 - £150,000	-	-	-	-
Total	<u>7</u>	<u>5</u>	<u>3,105</u>	<u>43,243</u>

Lifelong Learning UK

Notes to the Financial Statements (continued)

8. Tangible fixed assets

Group and Company

All fixed assets are held for charitable purposes

	Fixtures and fittings £	Computer equipment £	Office equipment £	Total £
Group and Company				
As at 1 April 2008	343,270	361,960	173,347	878,577
Additions	11,295	116,379	-	127,674
As at 31 March 2009	<u>354,565</u>	<u>478,339</u>	<u>173,347</u>	<u>1,006,251</u>
Depreciation				
As at 1 April 2008	(99,775)	(281,380)	(114,354)	(495,509)
Charge for period	(64,130)	(78,645)	(39,526)	(182,301)
As at 31 March 2009	<u>(163,905)</u>	<u>(360,025)</u>	<u>(153,880)</u>	<u>(677,810)</u>
Net Book Value				
As at 1 April 2008	243,495	80,580	58,993	383,068
As at 31 March 2009	<u>190,660</u>	<u>118,314</u>	<u>19,467</u>	<u>328,441</u>

9. Fixed asset investments

There are no fixed asset investments held by the Group.

	Shares in subsidiary undertaking £
Company	
Cost and net book value at 31 March 2009 and 31 March 2008	<u>1,000</u>

The investment represents 100% of the issued share capital of Standards Verification UK Limited.

	Country of Incorporation	Class	Principal Activity
Standards Verification UK Limited	England and Wales	Ordinary	Endorsement and approval of teacher training
	Capital and Reserves 2009 £		Profit for the year 2009 £
Standards Verification UK Limited	128,011		15,065

Lifelong Learning UK

Notes to the financial statements (continued)

10. Debtors

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Trade debtors	47,020	2,125,382	46,141	2,115,457
Inter-company debtor	-	-	61,191	50,609
Prepayments and accrued income	1,825,296	3,648,959	1,612,022	3,554,065
	<u>1,872,316</u>	<u>5,774,341</u>	<u>1,719,354</u>	<u>5,720,131</u>

11. Creditors: amounts falling due within one year

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Trade creditors	2,709,259	3,397,430	2,643,891	3,331,194
Other taxes and social security	185,748	125,507	165,827	108,283
Other creditors	2,444,235	136,233	2,402,813	210
Accruals and deferred income	5,634,045	4,631,251	5,319,410	4,580,239
	<u>10,973,287</u>	<u>8,290,421</u>	<u>10,531,941</u>	<u>8,019,926</u>

12. Analysis of fund movements for Group

	Balance at 1 April 2008 £	Incoming Resources £	Resources Expended £	Transfers £	Fund at 31 March 2009 £
Unrestricted funds:					
General	1,335,052	2,098,401	(1,621,219)	64,289	1,876,523
Designated	137,694	0	0	(64,289)	73,405
	<u>1,472,746</u>	<u>2,098,401</u>	<u>(1,621,219)</u>	<u>0</u>	<u>1,949,928</u>
Unrestricted funds:					
Objective 1	2,762	1,177,209	(1,182,301)	-	(2,330)
Objective 2	212,879	9,375,594	(9,364,914)	-	223,559
Objective 3	82,060	-	-	-	82,060
Objective 4	554	772,251	(772,284)	-	521
Objective 5	7,828	6,431	(439)	-	13,820
Objective 6	41,784	4,200,486	(4,022,775)	-	219,495
Objective 7	-	1,902,385	(1,998,678)	-	(96,293)
Total Funds	<u>1,820,613</u>	<u>19,532,757</u>	<u>(18,962,610)</u>	<u>0</u>	<u>2,390,760</u>

Lifelong Learning UK

Notes to the financial statements (continued)

12. Analysis of fund movements for Company

	Balance at 1 April 2008 £	Incoming Resources £	Resources Expended £	Transfers £	Fund at 31 March 2009 £
Unrestricted funds:					
General	1,359,080	2,403,172	(1,932,778)	64,289	1,893,763
Designated	137,694	-	-	(64,289)	73,405
	<u>1,496,774</u>	<u>2,403,172</u>	<u>(1,932,778)</u>	<u>0</u>	<u>1,967,168</u>
Unrestricted funds:					
Objective 1	2,762	1,177,209	(1,182,301)	-	(2,330)
Objective 2	76,901	9,375,594	(9,364,914)	-	87,581
Objective 3	82,060	-	-	-	82,060
Objective 4	554	772,251	(772,284)	-	521
Objective 5	7,828	6,431	(439)	-	13,820
Objective 6	41,784	2,864,122	(2,694,681)	-	211,225
Objective 7	-	1,902,385	(1,998,679)	-	(96,294)
Total Funds	<u>1,708,663</u>	<u>18,501,164</u>	<u>(17,946,076)</u>	<u>0</u>	<u>2,263,751</u>

13. Analysis of Group net assets between funds

	General funds £	Designated funds £	Total funds £
Tangible fixed assets	255,036	73,405	328,441
Net current assets	<u>2,062,319</u>	<u>-</u>	<u>2,062,319</u>
	<u>2,317,355</u>	<u>73,405</u>	<u>2,390,760</u>

Analysis of Company net assets between funds

	General funds £	Designated funds £	Total funds £
Investment	1,000	-	1,000
Tangible fixed assets	255,036	73,405	328,441
Net current assets	<u>1,934,310</u>	<u>-</u>	<u>1,934,310</u>
	<u>2,190,346</u>	<u>73,405</u>	<u>2,263,751</u>

14. Related party disclosures

Due to the nature of the Group's operations and the composition of the Board of Trustees it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving organisations in which a member of the Board of Trustees may have an interest are conducted at arm's length and in accordance with the Group's financial regulations and normal procurement procedures.

The Group has taken advantage of the exemptions in FRS 8 not to disclose transactions eliminated on consolidation.

Lifelong Learning UK

Notes to the financial statements (continued)

15. Parent Company Income and Expenditure

The Company has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP not to present a separate Statement of Financial Activities and Income and Expenditure Account. The Parent Company's surplus for the year was £555,088.

16. Contingent Liability

There are no known contingent liabilities.

17. Pensions

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. The notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increase per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of the Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 August 2008 to 31 July 2009 the employer contribution was 14.1 per cent. The employee rate was 6.4 per cent for the same period. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

Defined Contribution Scheme

The Company also operates a defined contribution pension scheme for those employees not eligible to join the TPS. The Company makes a contribution equal to 7% of salary for employees who elect to join the scheme.

Lifelong Learning UK

Notes to the financial statements (continued)

During the year the Company contributed a total of £355,143 (2008 - £232,926) to pension schemes. At the year end £40,828 (2008 - £25,385) of unpaid contributions were included in creditors.

18 Financial Commitments

At 31 March 2009 the Company and Group had annual commitments in respect of non-cancellable operating leases as follows:

	2009 Other	2009 Land and Buildings	2008 Other	2008 Land and buildings
	£	£	£	£
Expiring within one year	1,300	40,667	-	2,489
Expiring between two and five years	19,100	500,290	3,622	347,904
Expiring after five years	-	-	-	-
	<u>20,400</u>	<u>540,957</u>	<u>3,622</u>	<u>350,393</u>

19. Reconciliation of operating surplus to net cash inflow from operating activities

	2009 £	2008 £
Net incoming resources	570,147	320,262
Interest receivable	(176,065)	(80,570)
	<u>394,082</u>	<u>239,692</u>
Depreciation charge	182,301	204,591
Loss on disposal of fixed asset	-	1,905
Decrease in debtors	3,902,025	(2,955,122)
Increase in creditors	<u>2,682,866</u>	<u>4,845,553</u>
	<u>7,161,274</u>	<u>2,336,619</u>

20. Analysis of changes in net funds

	At 1 April 2008 £	Cash flow £	At 31 March 2009 £
Cash at bank and in hand	<u>3,953,625</u>	<u>7,209,665</u>	<u>11,163,290</u>