

HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
(A Company Limited by Guarantee)

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HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	Natalie Wells (resigned 22 July 2021) Cathy Walsh, Chair Alessandro Chiozzi (appointed 22 July 2021)
Company registered number	04619849
Charity registered number	1098129
Registered office	260-264 Kingsland Road London E8 4DG
Company secretary	Anthony Harmer
Independent examiner	MHA MacIntyre Hudson 2 London Wall Place London EC2Y 5AU
Bankers	Bank of Scotland 14-16 Cockspur Street London SW1Y 5BL
Solicitors	Russell-Cooke 2 Putney Hill London SW15 6AB

HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who act as the Directors of the Company for the purposes of the Companies Act, and Trustees for Charity law purposes, submit their annual report and the financial statements of Haggerston Neighbourhood Learning Centre (HNLC) for the year ended 31 August 2021. The Trustees confirm that the annual report and financial statements of the Company comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

Structure, governance and management

The Company is limited by guarantee, with no share capital. It is also a registered Charity and was set up by a Memorandum of Association on 17 December 2002.

The Company's governing body is the Board of Trustees. The Board has the power to co-opt up to five additional persons to the Board at any one time. HNLC is controlled by another Charity, East London Advanced Technology Training (ELATT). ELATT is the sole member of HNLC and sublets the leasehold premises that HNLC owns and has similar charitable objectives to HNLC.

The Chair of ELATT's Board also chairs HNLC's Board. The Charity does not employ any individuals.

Objectives and activities

The Company's objectives are to educate and train young people and adults. It facilitates these aims by leasing its premises to East London Advanced Technology Training, its parent charitable company.

Achievements and performance

During the period, HNLC continued to fulfil its objectives by providing good quality premises and facilities that enabled its Parent Charity ELATT to deliver training and employability skills for unemployed adults and young people.

The Trustees, who comprise all the Key Management Personnel of the Charity, neither received nor waived any remuneration, or expenses, during the year (2020 - £NIL).

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves Policy

The Board has agreed a free reserves target of ten to fourteen months' running costs in unrestricted reserves. This is necessary to cover long-term and planned major premises improvements over the coming two to five years, as well as unexpected or urgent repairs and maintenance. In addition, it is essential that HNLC can provide long-term security to its Parent Company ELATT's ability to operate in Hackney and this means the HNLC must be able to cover its mortgage payments in the event of cashflow or other financial issues at the Parent Company.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Twelve months' running costs currently equates to approximately £100,000, and at present the unrestricted reserves are at £229,682 after restricted funds, fixed assets, long-term loans and designated funds are taken into account. The Trustees expect to increase the level of free reserves in the forthcoming period, having reviewed a similar upwards trend in its Parent Charity's performance.

Principal Risks

The Company's risk policy is in line with and managed by its Parent Company, ELATT.

Results

The results of the year's operation are set out in the attached financial statements. The net movement in funds for the year amounted to a surplus of £53,763 (2020 - £66,008).

The Charity's total reserves at 31 August 2021 amounted to £1,252,254 (2020 - £1,198,491) all of which are unrestricted following the completion of the renovation works which now meant that the terms of the grant funding have now been complied with, allowing for all the Charity's to be classified as unrestricted.

Public Benefit Statement

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



.....
Cathy Walsh
Chair of Trustees
Date: 05/05/2022

HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Independent Examiner's Report to the Trustees of Haggerston Neighbourhood Learning Centre
('the Charity')

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 31 August 2021.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its Directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 

Dated: 10/05/2022

Stuart McKay BSc FCA DChA

MHA MacIntyre Hudson, London, United Kingdom

HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Income from:				
Other trading activities	4	91,200	91,200	91,200
Total income		91,200	91,200	<i>91,200</i>
Expenditure on:				
Charitable activities	5	37,437	37,437	25,192
Total expenditure		37,437	37,437	<i>25,192</i>
Net movement in funds		53,763	53,763	<i>66,008</i>
Reconciliation of funds:				
Total funds brought forward		1,198,491	1,198,491	1,132,483
Net movement in funds		53,763	53,763	66,008
Total funds carried forward		1,252,254	1,252,254	<i>1,198,491</i>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

All income and expenditure for both the current and previous years are allocated to unrestricted funds.

The notes on pages 7 to 14 form part of these financial statements.

HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04619849

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	8		1,239,443		1,263,210
Current assets					
Debtors	9	209,237		184,437	
Cash at bank and in hand		24,795		10,390	
		<u>234,032</u>		<u>194,827</u>	
Creditors: amounts falling due within one year	10	(56,161)		(45,081)	
Net current assets			<u>177,871</u>		<u>149,746</u>
Total assets less current liabilities			<u>1,417,314</u>		<u>1,412,956</u>
Creditors: amounts falling due after more than one year	11	(165,060)		(214,465)	
Total net assets			<u><u>1,252,254</u></u>		<u><u>1,198,491</u></u>
Charity funds					
Unrestricted funds			<u>1,252,254</u>		<u>1,198,491</u>
Total funds			<u><u>1,252,254</u></u>		<u><u>1,198,491</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The Members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



Cathy Walsh
 Chair of Trustees
 Date: 05/05/2022

The notes on pages 7 to 14 form part of these financial statements.

HAGGERSTON NEIGHBOURHOOD LEARNING CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Haggerston Neighbourhood Learning Centre is a charitable company and is registered with the Charity Commission (Charity Registered Number 1098129) and Registrar of Companies (Company Registration Number 04619849) in England and Wales.

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. The address of the registered office is given in the Charity information on page 1 of these financial statements.

The nature of the Charity's operations and principal activities are to educate and train young people and adults, especially by providing education on the use of computers.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on the going concern basis and are presented in sterling which is also the functional currency of the Charity and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long leasehold property	- over the term of the lease
Leasehold improvements	- over the term of the lease or over the life of the asset (between 5 and 50 years)

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Financial instruments

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 9. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 10 and 11. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets;

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

- Useful economic lives of assets.

4. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Rent receivable	91,200	91,200
	<u>91,200</u>	<u>91,200</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Rent receivable	91,200	91,200
	<u>91,200</u>	<u>91,200</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. Analysis of expenditure on charitable activities - by type

	Support costs 2021 £	Total funds 2021 £
Training and education	37,437	37,437

	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Training and education	25,192	25,192

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Depreciation	23,767	23,767
Interest and bank charges	12,345	-
Legal and professional	125	265
Governance costs	1,200	1,160
	37,437	25,192

6. Governance costs

	2021 £	<i>2020 £</i>
Independent Examiners' remuneration - Examination of the financial statements	1,200	1,160
	1,200	1,160

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

8. Tangible fixed assets

	Long leasehold property £	Leasehold improvements £	Total £
Cost or valuation			
At 1 September 2020 and 31 August 2021	820,000	860,358	1,680,358
Depreciation			
At 1 September 2020	118,326	298,822	417,148
Charge for the year	6,560	17,207	23,767
At 31 August 2021	124,886	316,029	440,915
Net book value			
At 31 August 2021	695,114	544,329	1,239,443
At 31 August 2020	701,674	561,536	1,263,210

The leasehold property is held under a 125 year lease expiring in 2127.

A charge is registered against the title of the leasehold property by the Department of Business, Innovation and Skills (originally registered at Department for Education and Skills) in respect of a grant from UK-Online, a major contributor towards the purchase of the premises, which secures the repayment of part or all of the grant should the assets not continue to be used for the purposes for which the grant was given. The grant received from UK-Online in 2004 was £345,629.

There is a further charge registered against the property by Transport for London (originally registered with the London Development Agency), another major contributor towards the purchase of the premises. This also secures the repayment of part or all of the grant should the assets not continue to be used for the purposes for which the grant was given. The grant received from the LDA in 2004 was £585,012.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Debtors

	2021 £	2020 £
Due within one year		
Amounts owed by group undertakings	209,237	184,437
	<u>209,237</u>	<u>184,437</u>

10. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	51,811	41,871
Trade creditors	1,300	1,300
Accruals	3,050	1,910
	<u>56,161</u>	<u>45,081</u>

11. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	165,060	214,465

A long term loan from Halifax Bank of Scotland PLC was received by HNLC and is secured on the Group's property. £216,871 (2020 - £256,336) in total was outstanding at the year end, split between Creditors: Amounts falling due within one year and Creditors: Amounts falling due after one year.

This loan was obtained to help finance the purchase of, and works to, the Group's property. Mortgage interest is shown in the SOFA. The loan is secured on the property, and repayable over 20 years from March 2006 at 2% over base rate.

12. Contingent liabilities

The Charity purchased and developed its leasehold premises with the financial assistance of the Department of Business, Innovation and Skills (originally registered at Department for Education Skills) (via UK-Online) and the London Development Agency (LDA). Both of these agencies placed ongoing restrictions on the asset's use as well as a legal charge over the property. The grant received from UKOnline in 2004 was £345,629 and the grant received from the LDA in 2004 was £585,012. Should a decision be made to sell the property a proportion of these funds would be repayable. At the year end it was not the Trustees intention to dispose of the property and therefore no liability has crystallised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Related party transactions

The Charity is taking the exemption under paragraph 33.1A of FRS102 not to disclose Intra-group transactions with fellow wholly owned subsidiaries and the parent company.

There have been no other related party transactions in the current or previous year.

14. Controlling party

The Charity is under the control of East London Advanced Technology Training (ELATT), a charitable company (Registered Company Number: 01812908). ELATT was the original subscriber to the Memorandum and Articles of Haggerston Neighbourhood Learning Centre (HNLC), and is the sole member of the Company.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,239,443	1,239,443
Current assets	234,032	234,032
Creditors due within one year	(56,161)	(56,161)
Creditors due in more than one year	(165,060)	(165,060)
Total	1,252,254	1,252,254

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	1,263,210	1,263,210
Current assets	194,827	194,827
Creditors due within one year	(45,081)	(45,081)
Creditors due in more than one year	(214,465)	(214,465)
Total	1,198,491	1,198,491