

GIA ENGLAND

England & Wales · Charity number 1101116

Details

Other names	GIA LONDON
Status	Registered
Legal form	Charitable company
Company number	04566140
Registered	2003-12-09
Register	View on the Charity Commission register

Contact

Address	G I A England 104 Great Russell Street London WC1B 3LA
Phone	02078134321
Email	gialondon@gia.edu
Website	https://www.gia.edu

Activities

Objects: THE ADVANCEMENT OF EDUCATION AND TRAINING IN THE SCIENCE AND PRACTICE OF GEMOLOGY AND RELATED SUBJECTS FOR THE BENEFIT OF THE PUBLIC BY SUCH MEANS AS ARE CHARITABLE IN LAW TO INCLUDE, WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, THE PROVISION OF A TRAINING CENTRE AND RESEARCH FACILITIES.

Activities: Advancement of education and training in the science and practice of gemmology and related subjects.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,631,980	£1,982,622	£-1,541,193	12
2023-12-31	£1,713,642	£1,722,092	£-1,190,551	13
2022-12-31	£1,339,253	£1,780,812	£-1,182,101	13
2021-12-31	£1,008,018	£1,524,272	£-740,542	12
2020-12-31	£776,830	£1,219,409	£-224,288	11

Trustees

Name	Role	Appointed
Susan Jacques	Chair	2013-11-26
DAVID JOHN TEARLE		
Pritesh Patel		2023-03-07
THOMAS MERRIL MOSES		

Accounts

Charity Registration No. 1101116

Company Registration No. 04566140 (England and Wales)

GIA England

Annual Report and Financial Statements

For the year ended 31 December 2024

GIA England

Annual Report and Financial Statements 2024

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Legal and administration information

Governing Document

Memorandum and Articles of Association

Trustees

S Jacques
T M Moses
D Tearle
P Patel

Campus Director

Mehdi Saadian

Secretary

TMF Group

Charity number

1101116

Company number

04566140

Registered office

C/O TMF Group
13th Floor, One Angel Court
London, EC2R 7HJ

Bankers

HSBC
1st Floor, 60 Queen Victoria St
London
EC4N 4TR

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

GIA England

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Trustees' report

Year ended 31 December 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024. GIA England has taken advantage of the small companies' exemption from preparing the strategic report in accordance with the Section 414B of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 in the accounts and comply with the Charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in January 2019.

Structure, governance and management

GIA England (the "Charity" or the "Company") is a company limited by guarantee and was incorporated on 17 October 2002 in England and Wales with Charity number 110116 and Company number 04566140. The principle place of business is 104 Great Russell Street London WC1B 3LA United Kingdom and its registered office Churchill House, Churchill Way Cardiff, Wales CF10 2HH. The Charity is governed by the Articles of Association.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of this report (except where noted), were:

D Tearle
T M Moses
S Jacques
P Patel

The trustees are recruited, appointed (or reappointed) based on the experience needed to fulfil their duties. Each of the trustees have many years of experience in the fields of education, research and provision of service to the gem and jewellery industry. The trustees receive regular legal counselling on areas such as employment law, health & safety regulations, and immigration and visas to stay abreast of the current policies and have an overview of the possible future changes. Additionally, they receive regular training on current issues including local and global financial regulations and compliance, cyber security, and privacy.

None of the trustees have any beneficial interest in the company. None have received any remuneration or expenses in this financial year 2024 or in the prior year 2023. All of the trustees are members of the Company and guarantee to contribute up to £10 in the event of winding up.

The Board of Trustees is responsible for the management of the risks faced by the Charity. They are satisfied, through the various systems in place that potential risks are identified and adequately managed. It is recognized that systems can only provide reasonable, not absolute assurance that major risks have been adequately managed.

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. Transactions with related parties are disclosed in the note 17 to the financial statements.

The trustees have granted executive control over operations and day to day decision making to Mehdi Saadian, Campus Director. This includes financial planning, education quality, training, and student management. In addition to Mr. Saadian, Francesca Lawley Hughes, Senior Manager of Instruction and Accreditation, and Kelsey Pringle, Senior Manager of Admissions and Administration Manager, complete the management structure.

Pay and remuneration of key management and personnel is determined by the pay scale for each role based on the level of experience of the staff member. In addition to this, a performance appraisal system is being used to monitor employee development and achievement towards the Charity's objectives.

Objectives and activities

The Charity's objectives are the advancement of education and training in the science and practice of gemmology and related subjects for the benefit of the public by such means as are charitable in law to include, without prejudice to the generality of the foregoing, the provision of a training centre and research facilities. GIA England's main objectives for the year, strategies for achieving them and significant activities are all included in the Achievements and Performance section of this report.

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Objectives and activities (continued)

The success of the Charity's mission to advance education and training in the science and practice of gemmology is measured by the number of student enrolments as noted in the achievements and performance section below.

GIA's London alumni chapter hosted two events in 2024. The first on March 13th held at the London Diamond bourse consisting of a talk from industry professionals on "Current Industry Trends of Diamonds and Gemstones", followed by a networking event in Hatton Garden. The second event was an organised preview viewing of jewellery auction items at Christies auction house in May 2024. These events help support GIA's students through developing their knowledge further and expanding their network to help forward their careers in the industry.

Due to global budgetary constraints, there was no GIA London Career Fair or open day for the campus in 2024. However, GIA London did exhibit at the Retail Jeweller Festival in March and the Jewellery Show in September 2024 at Kensington Olympia, London, increasing our outreach to potential students from the trade and public. GIA London also organised the following exhibits/talks and shows for our students to attend: the Retail Jeweller Festival show in March, whole campus visit to the Treasure House Fair in June, visit to A.E. Wards gemstone wholesalers in July, an organised event with Martin Prinsloo jewellery in July, the Jewellery Show in September and lastly an organised talk on campus by GIA's field gemologist manager for Thailand Wim Vertriest about Practical Field Gemology in November 2024.

We are focused on improving education and skills. Two new gemology instructors joined the team in April and May 2024 respectively. Senior management designed and provided a professional development week, where all members of the faculty team attended workshops in diamond cutting, appraisal, hallmarking, jewellery workshop manufacturing, gem dealing and officially recognized ADHD training for all the faculty and admin team. Two team members completed their level 5 Teaching and training diplomas to enhance their teaching practices. Another team member updated his emergency first aid skills. For the admin team in 2024, one member of our admin team attended a Home Office webinar on "Document Verification", two members attended a British Accreditation Council (BAC) "UK Standard Visitor Visa update" webinar, and the Senior Manager of Admissions & Records attended online training by UK Council for International Student Affairs (UKCISA) on "Navigating the Office of the Immigration Services Commissioner (OISC) requirements". GIA England is committed to training our staff in areas like Special Educational Needs and Disabilities (SEND) and visa processes. These efforts ensure we provide the best support for our students and keep up with the standards for accredited institutions.

Going Concern

The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. Demand for courses was steady in 2024, with waitlists for some courses being created. Alongside this we had three Corporate 1-week classes for AJPi. The Charity will continue to work on increasing enrolments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves. The Charity will also continue to coordinate with GIA US on the loan repayment and financial support as needed. Additionally, the Charity has obtained a letter of intent of financial support from the Gemological Institute of America, Inc., that indicates it is prepared to provide further financial support to GIA England necessary for the Charity to continue to operate its business in a proper and lawful manner and has no intention to call upon the Charity to repay any amount due to GIA US including the loan and related interest for at least 12 months from signing of this report. The trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

Achievements and performance

The Charity focused on its objectives of advancing education and training in gemmology. GIA US is an affiliated company with a global mission of ensuring the public trust in gems and jewellery. GIA England furthers this mission through offering education to the trade and public in the UK. 2024 was GIA England's 22nd full year of operation as a Registered Charity and the 18th full operating year in its 104 Great Russell Street location.

GIA England continues to fulfil its obligations for institutional accreditation by both the British Accreditation Council (BAC) and the Independent Schools Inspectorate (ISI). No inspections took place in 2024 due to achieving exceeding

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Trustees' report

Year ended 31 December 2024

Achievements and performance (continued)

expectations outcomes for both accrediting bodies in 2023. We expect full inspections to take place in first half of 2025.

GIA England remains a 'Student Sponsor' as licenced by the Visa and Immigration (UKVI) department of the UK Home Office, which allows it to admit students from UK visa national countries as full-time students. GIA England offers members of the public, and the jewellery trade, opportunities to learn and benefit from the skills and training that GIA education courses provide.

GIA England offered short practical lab classes throughout the year, in order to support members of the public, trade and current students to complete the practical components of their GIA distance education programmes. Enrolments for the main core gemmology lab classes were steady, reflecting continuing demand for GIA education. GIA England will continue to monitor the level of need for its lab classes and on-campus programmes and explore more ways to offer its courses, possibly adding more corporate classes in 2025.

GIA England received a total of 289 (2023: 315) student enrolments for the longer on-campus programmes and shorter practical lab classes in 2024.

The Comprehensive CAD/CAM programme remained in demand where total 25 students successfully completed the course in 2024 (2023: 21). GIA England continues to stay current with technology for both gemmology and jewellery design and technology classes to maximise the students' learning experience.

Two on-campus Graduate Gemologist (GG) programme were completed in 2024, graduating at the end of August and October having started in February and April. Another two GG programmes began in September and October 2024, that are scheduled to graduate in April and May 2025. Two Jewelry Design, and three Comprehensive CAD/CAM classes, graduated in 2024 with a total of 45 students graduating overall.

A total of 124 (2023: 133) students took on-campus programmes at GIA England in 2024 and 165 students took lab classes (2023: 182). A total of 25 students took corporate classes.

Public Benefit

The Charity's trustees have paid due regard to the public benefit guidance published by the Charity Commission. Providing public access to learn about GIA England's activities and research, as well as gemstones and gemmology, continues to be an important part of GIA England's charitable objectives.

In 2024, GIA England took great pride in independently funding public access to our educational offerings through our scholarship programme. This year, we offered 14 scholarships totalling £72,529 (2023: £40,692). We continued to provide opportunities for students to engage in our on-campus gemmology, jewellery design programmes, and lab classes. We accepted applications in two phases: the first from September 1st to September 30th and the second from March 1st to March 31st 2024. GIA England supported two students in the Jewelry Design programme, four students in the Comprehensive CAD/CAM programme, one student in Graduate Colored Stones, three students in Graduate Gemologies as well as four students in various lab classes.

Financial Review

In 2024, the Trustees report income of £1,631,980 which is a 5% decrease from £1,713,642 in 2023, primarily due to slightly lower enrollments and more scholarships provided in 2024 compared to 2023. Overall, there was a net deficit for the year of £350,642 (2023: deficit of £8,450). This is primarily due to increase in operating and financing costs. The principal funding sources of; tuition fees, and the loans from GIA US have supported the key objectives of the Charity. In 2024 GIA England received an unsecured twelve-month loan from GIA US in total amount of £1,487,379, which had an annual interest rate of 8.00%. The loan was primarily used to repay the outstanding prior year loans. In 2023 GIA England received an unsecured twelve-month loans from GIA US in total amount of £1,492,256 which had an annual interest rate of 8.50%. The balance due to Gemological Institute of America, Inc., at the year-end was £1,528,391 (2023: £1,521,394) of which £1,515,526 (2023: £1,492,256) was for the principal on the loans, £4,983 (2023: £6,273) was for interest on loans. The year end 2024 cash balance was £154,485 which is a 45% decrease from £281,853 at year end 2023.

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Trustees' report

Year ended 31 December 2024

Financial Review (continued)

The financial position of the Charity will be affected by ongoing operational expenses and fluctuations in student demand for courses. To mitigate these effects, the Charity will strive to decrease costs and increase course demand.

Restricted funds are to be used for provision of scholarships and awards for those individuals meeting the relevant criteria.

Liquidity Risk:

The Charity's risk to liquidity is a result of the funds available to cover future commitments. The Charity manages liquidity risk through ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequately monitored.

Interest Rate Risk;

The Charity has no significant interest-bearing assets, and the interest-bearing liabilities are at fixed interest rates as such the Charity's income and operating cash flows are substantially independent of changes in the market interest rates.

Foreign Exchange Risk:

The Charity does not hedge foreign exchange fluctuations.

Reserves

The Charity had a deficit on undistributed unrestricted reserves of £1,541,193 at 31 December 2024 (2023: £1,190,551), although this is below the Charity's policy level of having two months' unrestricted reserves (based on charitable activities costs), the Charity has received intent for financial support from GIA US, to ensure continued operation of business.

Plans for future periods

Advancing opportunities to study and learn about gemmology is GIA England's focus for 2025. Making GIA England's charitable activities more accessible while maintaining our strong reputation and constantly improving the quality of education will direct the Charity's operations. Emphasising the improved career opportunities that GIA education creates will attract students from outside the jewellery industry. GIA England remains committed to offer its annual Career Fair event in the UK in 2025 and to organise events where career advising and training are available to GIA graduates as well as members of the public.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware that is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information, in accordance with section 418 of the Companies Act 2006.

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Trustees' report
Year ended 31 December 2024

Auditor

A resolution proposing that Deloitte LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

Approved by the board of trustees and signed on behalf of the board by



D Tearle
Trustee

9 day of MAY, 2025

GIA England

Annual Report and Financial Statements 2024

Trustees' responsibilities statement

Year ended 31 December 2024

The trustees (who are also directors of GIA England for the purposes of company law) are responsible 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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Year ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GIA England (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Charities (SORP 2019) and Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities – incorporating income and expenditure;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or

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Year ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND (continued)

otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included the Charity Commission for England and Wales (Charity Commission) regulations, GDPR regulations and Health and Safety regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

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Year ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND

(continued)

- Cut-off of Revenue Income and Deferred revenue:
 - We selected a sample of student deposits and agreed each sample to the relevant enrollment form to confirm the start date and the course price; and
 - We recalculated amounts earned in the financial year and amounts deferred/deposits received; and
 - We traced payments to bank statements to confirm that the amounts had been received before year-end.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the director's report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

GIA England

Year ended 31 December 2024

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Helen Perkins CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

9 May 2025

GIA England
Year ended 31 December 2024

Statement of Financial Activities
(incorporating income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2024 £	Total 2023 £
Income					
<i>Income from charitable activities:</i>					
Operation of classes and distant education	2	1,480,925	-	1,480,925	1,583,435
Other Income	3	151,055	-	151,055	130,207
Total income		<u>1,631,980</u>	<u>-</u>	<u>1,631,980</u>	<u>1,713,642</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Operation of classes and distant education	4	1,982,622	-	1,982,622	1,722,092
Total expenditure		<u>1,982,622</u>	<u>-</u>	<u>1,982,622</u>	<u>1,722,092</u>
Net expenditure and net movement in funds for the year		(350,642)	-	(350,642)	(8,450)
Reconciliation of Funds					
Total Funds brought forward		(1,190,551)	-	(1,190,551)	(1,182,101)
Total Funds carried forward	15	<u>(1,541,193)</u>	<u>-</u>	<u>(1,541,193)</u>	<u>(1,190,551)</u>

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

All income and expenditure are derived from continuing operations.

See note 18 for comparative Statement of Financial Activities analysed by funds.

The notes on pages 15 to 27 form part of these financial statements.

GIA England

Balance Sheet At 31 December 2024

			2024	2023
	Note	£	£	£
Fixed assets				
Tangible assets	11		432,019	443,103
Current assets				
Inventory	15	6,776		30,186
Debtors	12	55,261		50,868
Cash at bank and in hand		154,485		281,853
		<u>216,522</u>	<u>362,907</u>	
Creditors: amounts falling due within one year	13	<u>(674,208)</u>	<u>(1,996,561)</u>	
Creditors: amounts falling due past one year	13	(1,515,526)	-	
Net liabilities		<u>(1,973,212)</u>	<u>(1,633,654)</u>	
Total assets less liabilities being net liabilities		<u>(1,541,193)</u>	<u>(1,190,551)</u>	
Income funds				
Restricted funds	15	-	-	-
Unrestricted funds	15	<u>(1,541,193)</u>	<u>(1,190,551)</u>	
Total funds		<u>(1,541,193)</u>	<u>(1,190,551)</u>	

These accounts are prepared in accordance with Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and for circulation to members of the company.

The notes on pages 15 to 26 form part of these financial statements. The financial statements of GIA England, registered number 04566140, were approved and authorized for issue by the Board of Trustees on

9 May 2025.



Signed by D Tearle
Trustee

GIA England

Cash Flow Statement For the year ended 31 December 2024

		2024 £	2023 £
	Notes		
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>		(141,786)	(281,390)
Cash flows from investing activities:	11		
Purchase of leasehold improvements, equipment, and education stones		(8,852)	(50,254)
<i>Net cash used in investing activities</i>		(8,852)	(50,254)
Cash flows from financing activities:	13		
Receipt of related party loan		1,515,526	1,492,256
Repayment of related party loans		(1,492,256)	(1,218,534)
<i>Net cash from financing activities</i>		23,270	273,722
Change in cash and cash equivalents in the year		(127,368)	(57,922)
Cash and cash equivalents at the beginning of the year		281,853	339,775
Cash and cash equivalents at the end of the year		154,485	281,853

Reconciliation of net (expenditure) to net cash flow from operating activities

		2024 £	2023 £
Net expenditure for the year (as per the statement of financial activities)		(350,642)	(8,450)
Adjustments for:			
Depreciation charges	11	19,936	18,637
Decrease/(Increase) in inventory		23,410	(15,473)
(Increase)in debtors	12	(4,393)	(11,231)
Increase/(Decrease) in creditors	13	169,903	(264,873)
Net cash used in operating activities		(141,786)	(281,390)

Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	154,485	281,853
Total cash and cash equivalents	154,485	281,853

No cash equivalents for year ended December 31, 2024 (2023: none)

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2019)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Companies Act 2006; and the Charities Act (2011).

GIA England (the “Charity” or “Company”) meets the definition of a public benefit entity under FRS 102, and is incorporated in the UK and registered in England and Wales with company number 04566140. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The functional and presentational currency is Sterling.

All of the trustees are members of the Company and guarantee to contribute up to £10 in the event of winding up.

Going concern

The Charity has cash reserves equivalent to one month of normal operational expenditure. The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. The Charity has been able to obtain financial support in the form of loans from the Gemological Institute of America, Inc., (GIA US), sole member of the Charity. Additionally, the Charity has obtained a letter of financial support from the Gemological Institute of America, Inc., that indicates it is prepared to provide further financial support to GIA England necessary for the Charity to continue to operate its business in a proper and lawful manner and has no intention to call upon the Charity to repay any amount due to GIA US including the loan and related interest for at least 12 months from signing of this report. The Charity is continuously working on increasing enrolments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves, however the Charity will continue to coordinate with GIA US on the loan repayment and financial support as needed. As a consequence, the trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

Income

Income is recognised when there is entitlement, measurement and receipt is probable.

Deferred income

Student fees are payable in respect of courses run over different periods and are credited over the period to which they relate. The balance of this income that falls into the following year at the year-end is shown as deferred income under creditors (see note 14).

Expenditure

All expenses are accounted for on an accruals basis. Expenditure includes attributable value-added tax (VAT) which cannot be recovered.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts programmes and activities.

These costs have been allocated between cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

Governance costs are those associated with constitutional and statutory requirements, and are allocated within support costs.

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

1. Accounting policies (continued)

Funds structure

The Charity maintains two types of funds as follows:

Restricted fund - It includes donations received to operate a scholarship scheme which are subject to the expressed wishes of the donor.

Unrestricted funds - These are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Physical leasehold property	5 years' straight line basis
Electronic leasehold property	3 years' straight line basis
Stones and metals	No depreciation as residual value expected to be equal to cost. An annual review is carried out to establish if there has been impairment.
Fixtures, fittings & equipment	3 years' straight line basis

Capitalisation of equipment

All single purchases of less than £1,000 (incl. VAT) are expensed in the year of purchase unless forming part of a more comprehensive scheme where the total is £1,000 (incl. VAT) or more.

Inventory

Inventory is composed primarily of books and course materials and is valued at the lower of cost or net realisable value. Cost is determined using the first-in, first-out method.

Debtors

Prepayments or other costs that relate to future activity are recognized as an asset when it is probable that those costs will be recovered and measured at fair value.

Operation leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the terms of the leases.

Taxation

GIA England as a registered charity is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Foreign currency translation

Monetary assets and liabilities dominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and measured at fair value.

Financial assets are derecognised when and only when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

1. Accounting policies (continued)

rewards of ownership of the financial assets, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the assets to another party.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Defined contribution pension scheme

Costs relating to the defined contribution scheme are considered unrestricted and recognised in the Statement of Financial Activities when payable.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no key sources of estimation uncertainty at the reporting date. In terms of critical accounting judgements, we do not depreciate diamond stones due to the extraordinarily long useful lives of these assets.

2. Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
On campus courses	1,253,886	1,378,700
Corporate courses	40,000	-
Lab classes	187,039	204,735
Total income from charitable activities	1,480,925	1,583,435

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

3. Other Income

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Income from career fair	-	1,350
Income from related party service fee	151,044	128,849
Interest	11	8
	<u>151,055</u>	<u>130,207</u>

On January 1 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions (see note 17).

4. Analysis of expenditure on charitable activities

	2024 £	2023 £
Charitable expenditure comprise:		
Wages and salaries (see note 10)	983,985	942,284
Operating lease rentals (premises)	294,013	294,914
Study materials	169,200	125,209
Depreciation	19,936	18,637
Support costs (see note 5)	377,892	230,967
Governance costs (see note 5)	65,067	69,389
Student awards (Unrestricted funds)	72,529	40,692
	<u>1,982,622</u>	<u>1,722,092</u>

Governance costs comprise legal and professional fees (see note 5) and an allocation of support costs.

Expenditure on charitable activities was £1,982,622 (2023: £1,722,092) of which £1,982,622 was unrestricted (2023: £1,722,092) and none was restricted (2023: £nil).

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

5. Analysis of support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relates to the governance function. Having identified the governance costs, the remaining support costs are apportioned on the basis of the percentage of total governance costs to charitable activities expenditure.

	2024 Allocated to costs of		
	General support	Governance	Total
	£	£	£
Accounting	-	10,585	10,585
Audit fees	-	31,400	31,400
Legal fees	-	3,446	3,446
Payroll & other services	-	6,457	6,457
Administration: printing, stationery, etc.	171,543	5,983	177,526
Travel and entertaining	6,687	233	6,920
Interest Expense	122,171	4,261	126,432
Currency loss	45,604	1,590	47,194
Other administration and management costs	31,887	1,112	32,999
	<u>377,892</u>	<u>65,067</u>	<u>442,959</u>

	2023 Allocated to costs of		
	General support	Governance	Total
	£	£	£
Accounting	-	9,700	9,700
Audit fees	-	26,000	26,000
Legal	-	14,220	14,220
Payroll & other services	-	9,411	9,411
Administration: printing, stationery, etc.	181,455	7,902	189,357
Travel and entertaining	13,388	583	13,971
Interest Expense	49,416	2,152	51,568
Currency (profit)	(60,461)	(2,633)	(63,094)
Other administration and management costs	47,169	2,054	49,223
	<u>230,967</u>	<u>69,389</u>	<u>300,356</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

6. Net (Expenditure) for the Year

	2024 £	2023 £
Net (expenditure) is stated after charging:		
Finance cost	(126,432)	(51,568)
(Loss)/Gain on exchange rate net	(47,194)	63,094
Total	(173,626)	11,526

7. Legal and professional fees

	2024 £	2023 £
Auditor remuneration		
Fees payable to the Charity's auditor for the audit of the annual accounts	31,400	26,000
Total charges by the Auditor	31,400	26,000
Legal and professional fees of solicitors, consultants and other advisors	20,488	33,331
Total legal and professional fees	51,888	59,331

No non audit services provided by the Auditor during the year ended December 31, 2024 (2023: none).

8. Restricted funds

Capital and income generated from assets held in the restricted fund for the operation of the scholarship scheme are subject to the expressed wishes of the donor. There were no restricted funds remaining at the end of 2024 or 2023.

9. Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the Charity during the year 2024 (2023: none).

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

10. Employees

Number of employees

The average monthly number of employees during the year was:

	2024 No.	2023 No.
Instructors	7	8
Support Staff	5	5
Total	<u>12</u>	<u>13</u>

Employment costs

	2024 £	2023 £
Wages and salaries	716,829	759,267
Health/Life assurance	29,905	24,259
Social security costs	78,490	84,324
Other pension costs	55,761	74,434
Other employment costs	103,000	-
	<u>983,985</u>	<u>942,284</u>

Pension contributions outstanding at the year-end amounted to £6,778 (2023: £7,838).

The number of key management personnel whose annual emoluments were £50,000 or more were:

	2024 No.	2023 No.
£50,000 - £59,999	-	1
£60,000 - £69,999	1	-
£70,000 - £79,999		1
£80,000 - £199,999	1	
£120,000 above	<u>1</u>	<u>1</u>

Contributions totalling £9,852 (2023: £22,331) were made to personal pension schemes on behalf of key management personnel whose emoluments exceed £50,000.

The key management personnel of the Charity are considered to be Campus Director, Sr. Manager of Instruction Accreditation and Sr. Manager of Admissions and Administration. Remuneration of these employees in aggregate in the year was £276,479 (2023: £252,507).

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

11. Tangible fixed assets

	Leasehold improvements £	Stones and metals £	Fixtures fittings & equipment £	Total £
Cost				
At 1 January 2024	260,461	376,984	336,998	974,443
Additions	-	-	8,852	8,852
Disposals	-	-	(6,104)	(6,104)
At 31 December 2024	260,461	376,984	339,746	977,191
Depreciation				
At 1 January 2024	260,461	-	270,879	531,340
Disposals	-	-	(6,104)	(6,104)
Charge for the year	-	-	19,936	19,936
At 31 December 2024	260,461	-	284,711	545,172
Net book value				
At 31 December 2024	-	376,984	55,035	432,019
At 31 December 2023	-	376,984	66,119	443,103

12. Debtors: amounts falling due within one year

	2024 £	2023 £
Prepayments	25,711	19,617
Employee receivable	2,843	4,431
Accrued receivable from related party (Note 17)	26,707	26,820
Balance at 31 December	55,261	50,868

Accrued receivable from related party are disclosed in note 17.

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

13. Creditors: amounts falling due:

Creditors: amounts falling due within one year

	2024 £	2023 £
Taxes and social security costs	24,795	23,420
Other creditors	50,504	40,304
Amount due to related party (interest free and repayable on demand)	7,882	22,865
Loans due to related party (Note 17)	-	1,492,256
Interest on loans due to related party (Note 17)	4,983	6,273
Accruals	106,782	7,838
Deferred income (Note 14)	479,262	403,605
	<u>674,208</u>	<u>1,996,561</u>

Creditors: amounts falling due past one year

	2024 £	2023 £
Loans due to related party (Note 17)	1,515,526	-
	<u>1,515,526</u>	<u>-</u>

December 2024 loan due to related party is unsecured 36 month loan subject to 8.00% annual interest from the Gemological Institute of America, Inc., in amount of £1,515,526, comparatively November 2023 unsecured 12 month loan subject to 8.50% in amount of £1,492,256.

14. Deferred income

	2024 £	2023 £
Balance at 1 January	403,605	539,363
Fees received	1,556,582	1,447,677
Credited to income	(1,480,925)	(1,583,435)
Balance at 31 December	<u>479,262</u>	<u>403,605</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

15. Analysis of net assets between funds

Fund balances at 31 December 2024 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	432,019	-	432,019
Current assets	216,522	-	216,522
Creditors: amounts falling due within one year	(674,208)	-	(674,208)
Creditors: amounts falling due past one year	(1,515,526)		(1,515,526)
	<u>(1,541,193)</u>	<u>-</u>	<u>(1,541,193)</u>

Fund balances at 31 December 2023 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	443,103	-	443,103
Current assets	362,907	-	362,907
Creditors: amounts falling due within one year	(1,996,561)	-	(1,996,561)
	<u>(1,190,551)</u>	<u>-</u>	<u>(1,190,551)</u>

16. Commitments under operating leases

The Company had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2024 £	2023 £
Leases which expire:		
Within one year	302,011	292,584
Between two and five years	<u>205,200</u>	<u>507,211</u>

The Company lease renewed August 2023 for three years.

17. Related parties

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. GIA England is in possession of certain items of gemological equipment and gemstone samples which are used to teach the courses. These are provided by Gemological Institute of America, Inc. and are on extended loan to GIA England. GIA England is also invoiced by Gemological Institute of America, Inc., for training support and the cost of books and equipment used to teach the classes which totalled £150,708 for the year (2023: £194,790).

On January 1, 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions. The agreement effective as of January 1, 2021 shall be automatically renewed annually unless either party gives the other party a notice not to renew as per the conditions stated in the agreement. The Gemological Institute of America, Inc., is committed to pay the fee as specified per agreement, in 2024 the fee totalled £151,044 (2023: £128,849).

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

17. Related parties (continued)

In December 2024 GIA England received an unsecured thirty-six month loan from Gemological Institute of America, Inc., in total of £1,515,526 which had an annual interest rate of 8.00%. The loan was primarily used to repay outstanding prior year loans. All outstanding loans resulted in interest expense of £126k. The loans were denominated in dollars \$1.9m USD for 2024 and translated to sterling, the translation of all outstanding loans resulted in £19k unrealized foreign exchange loss for the year 2024. Comparatively, GIA England received an unsecured twelve-month loans from Gemological Institute of America, Inc., in total of £1,492,256 for the year 2023 which had annual interest rate of 8.5%. All outstanding loans resulted in interest expense of £52k for 2023. The loans were denominated in dollars \$1.9m USD for 2023 and translated to sterling, the translation of all outstanding loans resulted in £68k unrealized foreign exchange gain for the year 2023.

The balance due to Gemological Institute of America, Inc., at the year-end was £1,528,391 (2023: £1,521,394) of which £1,515,526 (2023: £1,492,256) was for the principal on the loans, £4,983 (2023: £6,273) was for interest on loans, and £7,882 (2023: £22,865) was for other support costs/purchases. The balance due from Gemological Institute of America, Inc., at the year end was £26,707 (2023: £26,820), related to the service fee.

18. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2023 £
Income				
<i>Income from charitable activities:</i>				
Operation of classes and distant education	2	1,583,435	-	1,583,435
Investment Income	3	130,207	-	130,207
Total income		<u>1,713,642</u>	<u>-</u>	<u>1,713,642</u>
Expenditure				
<i>Expenditure on charitable activities:</i>				
Operation of classes and distant education	4	1,722,092	-	1,722,092
Total expenditure		<u>1,722,092</u>	<u>-</u>	<u>1,722,092</u>
Net expenditure and net movement in funds for the year		(8,450)	-	(8,450)
Reconciliation of Funds				
Total Funds brought forward		<u>(1,182,101)</u>	<u>-</u>	<u>(1,182,101)</u>
Total Funds carried forward	15	<u><u>(1,190,551)</u></u>	<u><u>-</u></u>	<u><u>(1,190,551)</u></u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

19. Movement on Funds

Year ended 31 December 2024	At 1 January 2024 £	Income £	Expenditure (including taxation) £	At 31 December 2024 £
Unrestricted funds:				
General fund	(1,190,551)	1,631,980	(1,982,622)	(1,541,193)
Unrestricted funds total	<u>(1,190,551)</u>	<u>1,631,980</u>	<u>(1,982,622)</u>	<u>(1,541,193)</u>
Restricted funds:				
Donor restricted fund	-	-	-	-
Restricted funds total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charity funds	<u><u>(1,190,551)</u></u>	<u><u>1,631,980</u></u>	<u><u>(1,982,622)</u></u>	<u><u>(1,541,193)</u></u>

Donor restricted fund is for the purpose of awards related to jewellery design competitions.

Year ended 31 December 2023	At 1 January 2023 £	Income £	Expenditure (including taxation) £	At 31 December 2023 £
Unrestricted funds:				
General fund	(1,182,101)	1,713,642	(1,722,092)	(1,190,551)
Unrestricted funds total	<u>(1,182,101)</u>	<u>1,713,642</u>	<u>(1,722,092)</u>	<u>(1,190,551)</u>
Restricted funds:				
Donor restricted fund	-	-	-	-
Restricted funds total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charity funds	<u><u>(1,182,101)</u></u>	<u><u>1,713,642</u></u>	<u><u>(1,722,092)</u></u>	<u><u>(1,190,551)</u></u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2024

20. Subsequent Events

In January 2025, GIA England drew down the remaining US \$100k translated to £79,730 from the December 2024 loan. Additionally, in February 2025 GIA England received an unsecured thirty-six month loan from Gemological Institute of America, Inc., denominated in dollars for a total of US \$400k translated to £306,251 with an interest rate of 7.5%. In March 2025 GIA England drew down US \$250k from the loan, translated to £191,407 leaving an available loan balance of US \$150k, translated to £114,844.

GIA ENGLAND

England & Wales - Charity number 1101116

Accounts

Charity Registration No. 1101116

Company Registration No. 04566140 (England and Wales)

GIA England

Annual Report and Financial Statements

For the year ended 31 December 2023

GIA England

Annual Report and Financial Statements 2023

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GIA England

Annual Report and Financial Statements 2023

Legal and administration information

Governing Document

Memorandum and Articles of Association

Trustees

S Jacques
T M Moses
D Tearle
P Patel

Campus Director

Mehdi Saadian

Secretary

TMF Group

Charity number

1101116

Company number

04566140

Registered office

C/O TMF Group
13th Floor, One Angel Court
London, EC24 7HJ

Bankers

HSBC
1st Floor, 60 Queen Victoria St
London
EC4N 4TR

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

GIA England

Annual Report and Financial statements 2023

Trustees' report

Year ended 31 December 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023. GIA England has taken advantage of the small companies' exemption in preparing the strategic report in accordance with the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 in the accounts and comply with the Charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in January 2019.

Structure, governance and management

GIA England (the "Charity" or the "Company") is a company limited by guarantee and was incorporated on 17 October 2002 in England and Wales with Charity number 110116 and Company number 04566140. The principle place of business is 104 Great Russell Street London WC1B 3LA United Kingdom and its registered office Churchill House, Churchill Way Cardiff, Wales CF10 2HH.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of this report (except where noted), were:

D Tearle
T M Moses
S Jacques
P Patel (effective March 7, 2023)

The trustees are recruited, appointed (or reappointed) based on the experience needed to fulfil their duties. Each of the trustees have many years of experience in the fields of education, research and provision of service to the gem and jewellery industry. The trustees receive annual legal counselling on areas such as employment law, health & safety regulations, and immigration and visas to stay abreast of the current policies and have an overview of the possible future changes. Additionally, they receive regular training on current issues including local and global financial regulations and compliance, cyber security, and privacy.

None of the trustees have any beneficial interest in the company. None have received any remuneration or expenses in this financial year 2023 or in the prior year 2022. All of the trustees are members of the Company and guarantee to contribute up to £10 in the event of winding up.

The Board of Trustees is responsible for the management of the risks faced by the Charity. They are satisfied, through the various systems in place that potential risks are identified and adequately managed. It is recognized that systems can only provide reasonable, not absolute assurance that major risks have been adequately managed.

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. Transactions with related parties are disclosed in the note 17 to the financial statements.

The trustees have granted executive control over operations and day to day decision making to Mehdi Saadian, Campus Director. This includes financial planning, education quality, training, and student management. In addition to Mr. Saadian, Francesca Lawley Hughes, Senior Manager of Instruction and Accreditation, and Kelsey Pringle, Admissions and Administration Manager, complete the management structure.

Pay and remuneration of key management and personnel is determined by the pay scale for each role based on the level of experience of the staff member. In addition to this, a performance appraisal system is being used to monitor employee development and achievement towards the Charity's objectives.

Objectives and activities

The Charity's objectives are the advancement of education and training in the science and practice of gemmology and related subjects for the benefit of the public by such means as are charitable in law to include, without prejudice to the generality of the foregoing, the provision of a training centre and research facilities. GIA England's main objectives for the year, strategies for achieving them and significant activities are all included in the Achievements and Performance section of this report.

GIA England

Annual Report and Financial statements 2023

Trustees' report

Year ended 31 December 2023

Objectives and activities (continued)

The success of the Charity's mission to advance education and training in the science and practice of gemmology is measured by the number of student enrolments as noted in the achievements and performance section below.

GIA's London alumni chapter hosted two events in 2023. These events included an online talk discussing "The power of Gems, Energy and Vitality" plus one in person networking event. These events help support GIA's students through developing their knowledge further and expanding their network to help forward their careers in the industry.

GIA London conducted their annual Career Fair on July 14th 2023, where we had in excess of 250 attendees. A talk discussing the state of the industry with a panel of prominent industry professionals was organised for the attendees. After this, there were individual coaching sessions available with 16 prominent members of the trade where our students, alumni and members of the public could gain industry insight and advice on careers. In addition to this, we had 12 recruiters that were actively looking for candidates for their job openings in the industry. This event not only helps our students gain advice from professionals but also gives them the opportunity to find work through networking.

GIA London organised an Open Day at their campus to showcase the courses on offer to members of the public. There were 20 attendees on the day who experienced what it is like to study at GIA. We conducted short workshops in gemmology, diamond grading, jewellery design and CAD/CAM so that potential students could gain a real idea of what they would be studying.

We are focused on improving education and skills. One team member completed a dyslexia awareness course and three other team members continued completing their level 5 diplomas in education and training with a completion date of Q1 and Q2 2024. Two of our team members finished Mental Health First Aid course to better support our students. Another team member updated his emergency first aid skills and finally one member of our admin team attended a conference by the UK Council for International Student Affairs (UKCISA). GIA England is committed to training our staff in areas like Special Educational Needs and Disabilities (SEND) and visa processes. These efforts ensure we provide the best support for our students and keep up with the standards for accredited institutions.

Going Concern

The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. Demand for courses increased in 2023, with waitlists for some courses being created and an additional Graduate Diamonds Programme being added to the schedule by hiring a classroom from the Florida State University situated at 103 Great Russell Street. The Charity will continue to work on increasing enrolments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves. The Charity will also continue to coordinate with GIA US on the loan repayment and financial support as needed. Additionally, the Charity has obtained a letter of financial support from the Gemological Institute of America, Inc., that indicates it is prepared to provide further financial support to GIA England necessary for the Charity to continue to operate its business in a proper and lawful manner and has no intention to call upon the Charity to repay any amount due to GIA US including the loan and related interest for at least 12 months from signing of this report. The trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

Achievements and performance

The Charity focused on its objectives of advancing education and training in gemmology. GIA US is an affiliated company with a global mission of ensuring the public trust in gems and jewellery. GIA England furthers this mission through offering education to the trade and public in the UK. 2023 was GIA England's 21st full year of operation as a Registered Charity and the 17th full operating year in its 104 Great Russell Street location.

GIA England continues to fulfil its obligations for institutional accreditation by both the British Accreditation Council (BAC) and the Independent Schools Inspectorate (ISI). Interim inspections for both ISI and BAC took place in Q2 of 2023 with successful and exceeding expectations outcomes achieved from both educational bodies.

GIA England

Annual Report and Financial statements 2023

Trustees' report

Year ended 31 December 2023

GIA England remains a 'Student Sponsor' as licenced by the Visa and Immigration (UKVI) department of the UK Home Office, which allows it to admit students from UK visa national countries as full-time students. GIA England offers members of the public, and the jewellery trade, opportunities to learn and benefit from the skills and training that GIA education courses provide.

GIA England offered short practical lab classes throughout the year, in order to support members of the public, trade and current students to complete the practical components of their GIA distance education programmes. Enrolments for the main core gemmology lab classes were strong, reflecting continuing and growing demand for GIA education. GIA England will continue to monitor the level of need for its lab classes and on-campus programmes and explore more ways to offer its courses, possibly adding classes outside the campus in 2024.

GIA England received a total of 315 (2022: 284) student enrolments for the longer on-campus programmes and shorter practical lab classes in 2023.

The Comprehensive CAD/CAM programme remained in demand where total 21 students successfully completed the course in 2023 (2022: 25). GIA England continues to stay current with technology for both gemmology and jewellery design and technology classes to maximise the students' learning experience.

Two on-campus Graduate Gemologist (GG) programme were completed in 2023, graduating at the end of July and December having started in January and June. Another GG programme began in 2023, with a total of 10 students that are scheduled to graduate in February 2024. Three Jewelry Design, and two Comprehensive CAD/CAM classes, graduated in 2023 with a total of 52 students graduating overall.

A total of 133 (2022: 114) students took on-campus programmes at GIA England in 2023 and 182 students took lab classes (2022: 170).

Public Benefit

The Charity's trustees have paid due regard to the public benefit guidance published by the Charity Commission. Providing public access to learn about GIA England's activities and research, as well as gemstones and gemmology, continues to be an important part of GIA England's charitable objectives.

In 2023, GIA England took great pride in independently funding public access to our educational offerings through our scholarship programme. This year, we offered scholarships totalling £40,692 (2022: £63,109). We continued to provide opportunities for students to engage in our on-campus gemmology, jewellery design programmes, and lab classes. We accepted applications in two phases: the first from February to March and the second from August to September 2023. During the initial phase of our 2023 scholarship awards, GIA England supported one student in the Applied Jewelry Professional Intensive programme and two in the Quick Design programme as well as eight students in various lab classes. In the latter phase, two more students were granted scholarships for the Comprehensive CAD/CAM programme, one for the Jewelry Design course, and others for Colored Stone Grading lab classes.

Financial Review

In 2023, the Trustees report income of £1,713,642 which is a 28% increase from £1,339,253 in 2022, primarily due to increase in enrollments.

Overall, there was a net deficit for the year of £8,450 (2022: deficit of £441,559). This is primarily due to increase in operating and financing costs. The principal funding sources of; tuition fees, and the loans from GIA US have supported the key objectives of the Charity. In 2023 GIA England received an unsecured twelve-month loan from GIA US in total amount of £1,492,256, which had an annual interest rate of 8.50%. The loan was primarily used to repay the outstanding prior year loans. In 2022 GIA England received two unsecured twelve-month loans from GIA US in total amount of £608,038 of which £277,588 had an annual interest rate of 3.25% and £330,450 had an annual interest rate of 5.5%. The balance due to Gemological Institute of America, Inc., at the year-end was £1,521,394 (2022: £1,250,643) of which £1,492,256 (2022: £1,218,534) was for the principal on the loans, £6,273 (2022: £15,265) was for interest on loans. The year end 2023 cash balance was £281,853 which is a 17% decrease from £339,775 at year end 2022.

GIA England Annual Report and Financial statements 2023

Trustees' report Year ended 31 December 2023

The financial position of the Charity will be affected by ongoing operational expenses and fluctuations in student demand for courses. To mitigate these effects, the Charity will strive to decrease costs and increase course demand.

Restricted funds are to be used for provision of scholarships and awards for those individuals meeting the relevant criteria.

Liquidity Risk:

The Charity's risk to liquidity is a result of the funds available to cover future commitments. The Charity manages liquidity risk through ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequately monitored.

Interest Rate Risk;

The Charity has no significant interest-bearing assets, and the interest-bearing liabilities are at fixed interest rates as such the Charity's income and operating cash flows are substantially independent of changes in the market interest rates.

Foreign Exchange Risk:

The Charity does not hedge foreign exchange fluctuations.

Reserves

The Charity had a deficit on undistributed unrestricted reserves of £1,190,551 at 31 December 2023 (2022: £1,182,101), although this is below the Charity's policy level of having two months' unrestricted reserves. The Charity has received commitment for financial support from GIA US, to ensure continued operation of business.

Plans for future periods

Advancing opportunities to study and learn about gemmology is GIA England's focus for 2024. Making GIA England's charitable activities more accessible while maintaining our strong reputation and constantly improving the quality of education will direct the Charity's operations. Emphasising the improved career opportunities that GIA education creates will attract students from outside the jewellery industry. GIA England remains committed to offer its annual Career Fair event in the UK in 2024 and to organise events where career advising and training are available to GIA graduates as well as the member of the public.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware that is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information, in accordance with section 418 of the Companies Act 2006.

Auditor

A resolution proposing that Deloitte LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

Approved by the board of trustees and signed on behalf of the board by


D Tearle
Trustee 
.....14..... day of, 2024

GIA England

Annual Report and Financial Statements 2023

Trustees' responsibilities statement

Year ended 31 December 2023

The trustees (who are also directors of GIA England for the purposes of company law) are responsible 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

GIA England

Year ended 31 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GIA England (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

GIA England

Year ended 31 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND (continued)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included the Charity Commission for England and Wales (Charity Commission) regulations, GDPR regulations and Health and Safety regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Cut-off of Revenue Income and Deferred revenue:
 - We selected a sample of student deposits and agreed each sample to the relevant enrollment form to confirm the start date and the course price; and
 - We recalculated amounts earned in the financial year and amounts deferred/deposits received; and
 - We traced payments to bank statements to confirm that the amounts had been received before year-end.

GIA England

Year ended 31 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

GIA England

Year ended 31 December 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.



Jessica Hodges ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

15 May 2024

GIA England
Year ended 31 December 2023

Statement of Financial Activities
(incorporating income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2023 £	Total 2022 £
Income					
<i>Income from charitable activities:</i>					
Operation of classes and distant education	2	1,583,435	-	1,583,435	1,190,977
Other Income	3	130,207	-	130,207	148,276
Total income		<u>1,713,642</u>	<u>-</u>	<u>1,713,642</u>	<u>1,339,253</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Operation of classes and distant education	4	1,722,092	-	1,722,092	1,780,812
Total expenditure		<u>1,722,092</u>	<u>-</u>	<u>1,722,092</u>	<u>1,780,812</u>
Net expenditure and net movement in funds for the year		(8,450)	-	(8,450)	(441,559)
Reconciliation of Funds					
Total Funds brought forward		(1,182,101)	-	(1,182,101)	(740,542)
Total Funds carried forward	15	<u>(1,190,551)</u>	<u>-</u>	<u>(1,190,551)</u>	<u>(1,182,101)</u>

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

All income and expenditure are derived from continuing operations.

See note 18 for comparative Statement of Financial Activities analysed by funds.

The notes on pages 15 to 25 form part of these financial statements.

GIA England

Balance Sheet At 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	11		443,103		411,486
Current assets					
Inventory	15	30,186		14,713	
Debtors	12	50,868		39,637	
Cash at bank and in hand		281,853		339,775	
			<u>362,907</u>	<u>394,125</u>	
Creditors: amounts falling due within one year	13	(1,996,561)		(1,987,712)	
Net current liabilities			<u>(1,633,654)</u>		<u>(1,593,587)</u>
Total assets less current liabilities being net liabilities			<u>(1,190,551)</u>		<u>(1,182,101)</u>
Income funds					
Restricted funds	15		-		-
Unrestricted funds	15		<u>(1,190,551)</u>		<u>(1,182,101)</u>
Total funds			<u>(1,190,551)</u>		<u>(1,182,101)</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and for circulation to members of the company.

The notes on pages 15 to 26 form part of these financial statements. The financial statements of GIA England, registered number 04566140, were approved and authorized for issue by the Board of Trustees on

14 MAY 2024.



Signed by D Tearle
Trustee

GIA England

Cash Flow Statement For the year ended 31 December 2023

		2023 £	2022 £
	Notes		
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>		(281,390)	(240,198)
Cash flows from investing activities:	11		
Purchase of leasehold improvements, equipment, and education stones		(50,254)	(130,980)
<i>Net cash used in investing activities</i>		(50,254)	(139,980)
Cash flows from financing activities:	13		
Receipt of related party loan		1,492,256	608,038
Repayment of related party loans		(1,218,534)	-
<i>Net cash from financing activities</i>		273,722	608,038
Change in cash and cash equivalents in the year		(57,922)	227,860
Cash and cash equivalents at the beginning of the year		339,775	111,915
Cash and cash equivalents at the end of the year		281,853	339,775
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2023 £	2022 £
Net expenditure for the year (as per the statement of financial activities)		(8,450)	(441,559)
Adjustments for:			
Depreciation charges	11	18,637	10,317
Loss on sale of fixed assets	11	-	1,075
Noncash purchase of stone set	11	-	125,024
(Increase)/Decrease in inventory		(15,473)	(14,713)
(Increase)/Decrease in debtors	12	(11,231)	13,255
(Decrease)/Increase in creditors	13	(264,873)	66,403
Net cash used in operating activities		(281,390)	(240,198)
Analysis of cash and cash equivalents			
		2023 £	2022 £
Cash in hand		281,853	339,775
Total cash and cash equivalents		281,853	339,775

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2019)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2016; and the Companies Act 2006.

GIA England (the “Charity” or “Company”) meets the definition of a public benefit entity under FRS 102, and is incorporated in the UK and registered in England and Wales with company number 04566140. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The functional and presentational currency is Sterling.

Going concern

The Charity has cash reserves equivalent to two month of normal operational expenditure. The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. The Charity has been able to obtain financial support in the form of loans from the Gemological Institute of America, Inc., (GIA US), sole member of the Charity. Additionally, the Charity has obtained a letter of financial support from the Gemological Institute of America, Inc., that indicates it is prepared to provide further financial support to GIA England necessary for the Charity to continue to operate its business in a proper and lawful manner and has no intention to call upon the Charity to repay any amount due to GIA US including the loan and related interest for at least 12 months from signing of this report. The Charity is continuously working on increasing enrolments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves, however the Charity will continue to coordinate with GIA US on the loan repayment and financial support as needed. As a consequence, the trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

Income

Income is recognised when there is entitlement, measurement and receipt is probable.

Deferred income

Student fees are payable in respect of courses run over different periods and are credited over the period to which they relate. The balance of this income that falls into the following year at the year-end is shown as deferred income under creditors (see note 14).

Expenditure

All expenses are accounted for on an accruals basis. Expenditure includes attributable value-added tax (VAT) which cannot be recovered.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts programmes and activities.

These costs have been allocated between cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

Governance costs are those associated with constitutional and statutory requirements, and are allocated within support costs.

Funds structure

The Charity maintains two types of funds as follows:

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

1. Accounting policies (continued)

Restricted fund - It includes donations received to operate a scholarship scheme which are subject to the expressed wishes of the donor.

Unrestricted funds - These are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Physical leasehold property	5 years' straight line basis
Electronic leasehold property	3 years' straight line basis
Stones and metals	No depreciation as residual value expected to be equal to cost. An annual review is carried out to establish if there has been impairment.
Fixtures, fittings & equipment	3 years' straight line basis

Capitalisation of equipment

All single purchases of less than £1,000 (incl. VAT) are expensed in the year of purchase unless forming part of a more comprehensive scheme where the total is £1,000 (incl. VAT) or more.

Inventory

Inventory is composed primarily of books and course materials and is valued at the lower of cost or net realisable value. Cost is determined using the first-in, first-out method.

Debtors

Prepayments or other costs that relate to future activity are recognized as an asset when it is probable that those costs will be recovered and measured at fair value.

Operation leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the terms of the leases.

Taxation

GIA England as a registered charity is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Foreign currency translation

Monetary assets and liabilities dominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and measured at fair value.

Financial assets are derecognised when and only when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the assets to another party.

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

1. Accounting policies (continued)

Financial liabilities are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Defined contribution pension scheme

Costs relating to the defined contribution scheme are considered unrestricted and recognised in the Statement of Financial Activities when payable.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no key sources of estimation uncertainty at the reporting date. In terms of critical accounting judgements, we do not depreciate diamond stones due to the extraordinarily long useful lives of these assets.

2. Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
On campus courses	1,378,700	1,006,930
Lab classes	204,735	184,047
Total income from charitable activities	1,583,435	1,190,977

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

3. Other Income

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Income from career fair	1,350	1,951
Income from related party service fee	128,849	146,325
Interest	8	-
	<u>130,207</u>	<u>148,276</u>

On January 1 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions (see note 17).

4. Analysis of expenditure on charitable activities

	2023 £	2022 £
Charitable expenditure comprise:		
Wages and salaries (see note 10)	942,284	942,336
Operating lease rentals (premises)	294,914	290,261
Study materials	125,209	59,896
Depreciation	18,637	10,317
Loss on disposal of fixed asset	-	1,075
Support costs (see note 5)	230,967	366,025
Governance costs (see note 5)	69,389	47,793
Student awards (Unrestricted funds)	40,692	63,109
	<u>1,722,092</u>	<u>1,780,812</u>

Governance costs comprise legal and professional fees (see note 5) and an allocation of support costs.

Expenditure on charitable activities was £1,722,092 (2022: £1,780,812) of which £1,722,092 was unrestricted (2022: £1,780,812) and none was restricted (2022: £nil).

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

5. Analysis of support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relates to the governance function. Having identified the governance costs, the remaining support costs are apportioned on the basis of the percentage of total governance costs to charitable activities expenditure.

	2023 Allocated to costs of		
	General support £	Governance £	Total £
Accounting	-	9,700	9,700
Audit fees	-	26,000	26,000
Legal fees	-	14,220	14,220
Payroll & other services	-	9,411	9,411
Administration: printing, stationery, etc.	181,455	7,902	189,357
Travel and entertaining	13,388	583	13,971
Interest Expense	49,416	2,152	51,568
Currency (profit)/loss	(60,461)	(2,633)	(63,094)
Other administration and management costs	47,169	2,054	49,223
	<u>230,967</u>	<u>69,389</u>	<u>300,356</u>

	2022 Allocated to costs of		
	General support £	Governance £	Total £
Accounting	-	11,435	11,435
Audit fees	-	22,400	22,400
Legal	-	669	669
Payroll & other services	-	2,966	2,966
Administration: printing, stationery, etc.	188,648	5,321	193,969
Travel and entertaining	1,305	37	1,342
Interest Expense	32,415	914	33,329
Currency (profit)/loss	115,205	3,249	118,454
Other administration and management costs	28,452	802	29,254
	<u>366,025</u>	<u>47,793</u>	<u>413,818</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

6. Net Income/ (Expenditure) for the Year

	2023 £	2022 £
Net income/(expenditure) is stated after charging:		
Finance cost	(51,568)	(33,329)
Gain/(Loss) on exchange rate net	63,094	(118,454)
Balance at 31 December	11,526	(151,783)

7. Legal and professional fees

	2023 £	2022 £
Auditor remuneration		
Fees payable to the Charity's auditor for the audit of the annual accounts	26,000	22,400
Total charges by the Auditor	26,000	22,400
Legal and professional fees of solicitors, consultants and other advisors	33,331	15,070
Total legal and professional fees	59,331	37,470

No non audit services provided by the Auditor during the year 2023 (2022: none).

8. Restricted funds

Capital and income generated from assets held in the restricted fund for the operation of the scholarship scheme are subject to the expressed wishes of the donor. There were no restricted funds remaining at the end of 2023 or 2022.

9. Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the Charity during the year 2023 (2022: none).

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

10. Employees

Number of employees

The average monthly number of employees during the year was:

	2023 No.	2022 No.
Instructors	8	8
Support Staff	5	5
Total	<u>13</u>	<u>13</u>

Employment costs

	2023 £	2022 £
Wages and salaries	759,267	661,841
Health/Life assurance	24,259	25,895
Social security costs	84,324	82,879
Other pension costs	74,434	69,971
Other employment costs	-	101,750
	<u>942,284</u>	<u>942,336</u>

Pension contributions outstanding at the year-end amounted to £7,838 (2022: £14,421).

The number of key management personnel whose annual emoluments were £50,000 or more were:

	2023 No.	2022 No.
£50,000 - £59,999	1	1
£70,000 - £79,999	1	1
£120,000 above	<u>1</u>	<u>1</u>

Contributions totalling £22,331 (2022: £24,110) were made to personal pension schemes on behalf of key management personnel whose emoluments exceed £50,000.

The key management personnel of the Charity are considered to be Campus Director, Sr. Manager Instruction/Accreditation and Admissions/Administration Manager. Remuneration of these employees in aggregate in the year was £252,507 (2022: £209,330).

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

11. Tangible fixed assets

	Leasehold improvements £	Stones and metals £	Fixtures fittings & equipment £	Total £
Cost				
At 1 January 2023	260,461	345,324	318,404	924,189
Additions	-	31,660	18,594	50,254
Disposals	-	-	-	-
At 31 December 2023	260,461	376,984	336,998	974,443
Depreciation				
At 1 January 2023	260,461	-	252,242	512,703
Disposals	-	-	-	-
Charge for the year	-	-	18,637	18,637
At 31 December 2023	260,461	-	270,879	531,340
Net book value				
At 31 December 2023	-	376,984	66,119	443,103
At 31 December 2022	-	345,324	66,162	411,486

12. Debtors: amounts falling due within one year

	2023 £	2022 £
Prepayments	19,617	8,555
Employee receivable	4,431	3,793
Accrued receivable from related party (Note 17)	26,820	27,289
Balance at 31 December	50,868	39,637

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Taxes and social security costs	23,420	20,290
Other creditors	40,304	47,203
Amount due to related party (interest free and repayable on demand)	22,865	16,844
Loans due to related party (Note 17)	1,492,256	1,218,534
Interest on loans due to related party (Note 17)	6,273	15,265
Accruals	7,838	130,213
Deferred income (Note 14)	403,605	539,363
	<u>1,996,561</u>	<u>1,987,712</u>

2023 loan due to related party is unsecured 12 month loan subject to 8.50% annual interest from the Gemological Institute of America, Inc., in amount of £1,492,256.

14. Deferred income

	2023 £	2023 £
Balance at 1 January	539,363	388,451
Fees received	1,447,677	1,341,889
Credited to income	(1,583,435)	(1,190,977)
	<u>403,605</u>	<u>539,363</u>

15. Analysis of net assets between funds

Fund balances at 31 December 2023 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	443,103	-	443,103
Current assets	362,907	-	362,907
Creditors: amounts falling due within one year	(1,996,561)	-	(1,996,561)
	<u>(1,190,551)</u>	<u>-</u>	<u>(1,190,551)</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

15. Analysis of net assets between funds (continued)

Fund balances at 31 December 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	411,486	-	411,486
Current assets	394,125	-	394,125
Creditors: amounts falling due within one year	(1,987,712)	-	(1,987,712)
	<u>(1,182,101)</u>	<u>-</u>	<u>(1,182,101)</u>

16. Commitments under operating leases

The Company had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2023 £	2022 £
Leases which expire:		
Within one year	292,584	172,276
Between two and five years	507,211	-
Over five years	-	-
	<u>799,795</u>	<u>172,276</u>

The Company lease renewed August 2023 for three years.

17. Related parties

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. GIA England is in possession of certain items of gemological equipment and gemstone samples which are used to teach the courses. These are provided by Gemological Institute of America, Inc. and are on extended loan to GIA England. GIA England is also invoiced by Gemological Institute of America, Inc., for training support and the cost of books and equipment used to teach the classes which totalled £194,790 for the year (2022: £99,944).

On January 1, 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions. The agreement effective as of January 1, 2021 shall be automatically renewed annually unless either party gives the other party a notice not to renew as per the conditions stated in the agreement. The Gemological Institute of America, Inc., is committed to pay the fee as specified per agreement, in 2023 the fee totalled £128,849 (2022: £146,325).

GIA England received an unsecured twelve-month loan from Gemological Institute of America, Inc., in total of £1,492,256, which had an annual interest rate of 8.50%. The loan was primarily used to repay outstanding prior year loans. All outstanding loans resulted in interest expense of £52k. The loans were denominated in dollars \$1.9m USD for 2023 and translated to sterling, the translation of all outstanding loans resulted in £68k unrealized foreign exchange gain for the year 2023. Comparatively GIA England received two unsecured twelve-month loans from Gemological Institute of America, Inc., in total of £608,038 for the year 2022 of which £277,588 had an annual interest rate of 3.25% and £330,450 had annual interest rate of 5.5%. All outstanding loans resulted in interest expense of £33k for 2022. The loans were denominated in dollars \$650k USD for 2022 and translated to sterling, the translation of all outstanding loans resulted in £77k unrealized foreign exchange loss for the year 2022.

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

17. Related parties (continued)

The balance due to Gemological Institute of America, Inc., at the year-end was £1,521,394 (2022: £1,250,643) of which £1,492,256 (2022: £1,218,534) was for the principal on the loans, £6,273 (2022: £15,265) was for interest on loans, and £22,865 (2022: £16,844) was for other support costs/purchases. The balance due from Gemological Institute of America, Inc., at the year end was £26,820 (2022: £27,289), related to the service fee.

18. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2022 £
Income				
<i>Income from charitable activities:</i>				
Operation of classes and distant education	2	1,190,977	-	1,190,977
Investment Income	3	148,276	-	148,276
Total income		<u>1,339,253</u>	<u>-</u>	<u>1,339,253</u>
Expenditure				
<i>Expenditure on charitable activities:</i>				
Operation of classes and distant education	4	1,780,812	-	1,780,812
Total expenditure		<u>1,780,812</u>	<u>-</u>	<u>1,780,812</u>
Net expenditure and net movement in funds for the year		(441,559)	-	(441,559)
Reconciliation of Funds				
Total Funds brought forward		<u>(740,542)</u>	<u>-</u>	<u>(740,542)</u>
Total Funds carried forward	15	<u><u>(1,182,101)</u></u>	<u><u>-</u></u>	<u><u>(1,182,101)</u></u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2023

19. Movement on Funds

Year ended 31 December 2023	At 1 January 2023 £	Income £	Expenditure (including taxation) £	At 31 December 2023 £
Unrestricted funds:				
General fund	(1,182,101)	1,713,642	1,722,092	(1,190,551)
Unrestricted funds total	(1,182,101)	1,713,642	1,722,092	(1,190,551)
Restricted funds:				
Donor restricted fund	-	-	-	-
Restricted funds total	-	-	-	-
Total charity funds	(1,182,101)	1,713,642	1,722,092	(1,190,551)

Donor restricted fund is for the purpose of awards related to jewellery design competitions.

Year ended 31 December 2022	At 1 January 2022 £	Income £	Expenditure (including taxation) £	At 31 December 2022 £
Unrestricted funds:				
General fund	(740,542)	1,339,253	1,780,812	(1,182,101)
Unrestricted funds total	(740,542)	1,339,253	1,780,812	(1,182,101)
Restricted funds:				
Donor restricted fund	-	-	-	-
Restricted funds total	-	-	-	-
Total charity funds	(740,542)	1,339,253	1,780,812	(1,182,101)

Donor restricted fund is for the purpose of awards related to jewellery design competitions.

GIA ENGLAND

England & Wales - Charity number 1101116

Accounts

Charity Registration No. 1101116

Company Registration No. 04566140 (England and Wales)

GIA England

Annual Report and Financial Statements

For the year ended 31 December 2022

GIA England

Annual Report and Financial Statements 2022

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Annual Report and Financial Statements 2022

Legal and administration information

Governing Document

Memorandum and Articles of Association

Trustees

S Jacques
T M Moses
D Tearle
P Patel

Campus Director

Mehdi Saadian

Secretary

7side Secretarial Ltd

Charity number

1101116

Company number

04566140

Registered office

C/O Legalex Limited
Churchill House, Churchill Way
Cardiff, Wales CF10 2HH

Bankers

HSBC
1st Floor, 60 Queen Victoria St
London
EC4N 4TR

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

GIA England

Annual Report and Financial statements 2022

Trustees' report

Year ended 31 December 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022. GIA England has taken advantage of the small companies' exemption in preparing the strategic report in accordance with the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 in the accounts and comply with the Charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in January 2019.

Structure, governance and management

GIA England (the "Charity" or the "Company") is a company limited by guarantee and was incorporated on 17 October 2002 in England and Wales with Charity number 110116 and Company number 04566140. The principle place of business is 104 Great Russell Street London WC1B 3LA United Kingdom and its registered office Churchill House, Churchill Way Cardiff, Wales CF10 2HH.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of this report (except where noted), were:

D Tearle
T M Moses
S Jacques
P Patel (effective March 7, 2023)

The trustees are recruited, appointed (or reappointed) based on the experience needed to fulfil their duties. Each of the trustees has many years of experience in the fields of education, research and provision of service to the gem and jewellery industry. The trustees receive annual legal counselling on areas such as employment law, health & safety regulations, and immigration and visas to stay abreast of the current policies and have an overview of the possible future changes. Additionally, they receive regular training on current issues including local and global financial regulations and compliance, cyber security, and privacy.

None of the trustees have any beneficial interest in the company. None have received any remuneration or expenses in this financial year 2022 or in the prior year 2021. All of the trustees are members of the Company and guarantee to contribute up to £10 in the event of winding up.

The Board of Trustees is responsible for the management of the risks faced by the Charity. They are satisfied, through the various systems in place that potential risks are identified and adequately managed. It is recognized that systems can only provide reasonable, not absolute assurance that major risks have been adequately managed.

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. Transactions with related parties are disclosed in the notes to the financial statements.

The trustees have granted executive control over operations and day to day decision making to Mehdi Saadian, Campus Director. This includes financial planning, education quality, training, and student management. In addition to Mr. Saadian, Francesca Lawley Hughes, Senior Manager of Instruction and Accreditation, and Kelsey Pringle, Admissions and Administration Manager, complete the management structure.

Pay and remuneration of key management and personnel is determined by the pay scale for each role based on the level of experience of the staff member. In addition to this, a performance appraisal system is being used to monitor employee development and achievement towards the Charity's objectives.

Objectives and activities

The Charity's objectives are the advancement of education and training in the science and practice of gemmology and related subjects for the benefit of the public by such means as are charitable in law to include, without prejudice to the generality of the foregoing, the provision of a training centre and research facilities. GIA England's main objectives for the year, strategies for achieving them and significant activities are all included in the Achievements and Performance section of this report.

GIA England

Annual Report and Financial statements 2022

Trustees' report

Year ended 31 December 2022

Objectives and activities (continued)

The success of the Charity's mission to advance education and training in the science and practice of gemmology is measured by the number of student enrolments.

GIA England continued to support the Goldsmiths' Craft and Design Council Awards in 2022, and offered two GIA Applied Jewelry Professional Intensive (AJPI) class enrolments as prizes.

GIA's London alumni chapter hosted four events online in 2022. These events covered topics such as: 'From Sardinia with Love: Filigree and Coral', 'Gemstones of the Portuguese Royal Treasury', 'Gems, Colours and Wild stories' and 'The Inside Story of the Record-Breaking Auction: The Jewels of the Duchess of Windsor'. These sessions also included online networking after each seminar. These events help support GIA's students through developing their knowledge further and expanding their network to help forward their careers in the industry.

GIA London conducted their annual Career Fair on July 1st 2022, where we had in excess of 200 attendees. A talk on Success in the Marketplace was organised for the attendees. After this, there were individual coaching sessions available with 14 prominent members of the trade where our students, alumni and members of the public could gain industry insight and advice on careers. In addition to this, we had 13 recruiters that were actively looking for candidates for their job openings in the industry. This event not only helps our students gain advice from professionals but also gives them the opportunity to find work through networking.

GIA London organised an Open Day at their campus to showcase the courses on offer to members of the public. There were 40 attendees on the day who experienced what it is like to study at GIA. We conducted short workshops in gemmology, diamond grading, jewellery design and CAD/CAM so that potential students could gain a real idea of what they would be studying.

With the focus to adopt the use of technology and improve the user experience, and in-line with GIA US, GIA England migrated to a new and modern student enrolment and database system at the end of 2021. During 2022 this new system enabled the Charity to not only streamline the entire enrolment process, but it also to offer a very secure yet user-friendly admission process to the students.

In terms of continuing educational and professional developments, one of GIA England's faculty members completed a Mental Health First Aid course and went on to become our student welfare officer, another four faculty members started their level 5 diploma in Teaching and Training to enhance their instructional practices – they are due to finish these courses by April 2024. During 2022, two members of the admin team participated in three separate training sessions provided by UK Council for International Student Affairs (UKCISA), with one member participating in a further three training sessions provided by Ecctis (official recognition services on behalf of the UK Government). GIA England is dedicated to create an environment for professional development for the faculty as well as the admission team members, and will continue to provide them with specific training courses on SEND, through the British Dyslexia Association and ADHD Foundation, and to better assisting students with specific visa requirements, through UK Council for International Student Affairs (UKCISA). These trainings have allowed GIA England to further adhere to regional best-practice guidelines for similarly accredited institutions, alongside the courses' professional development value for the staff.

Going Concern

The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. Demand for courses picked up in 2022 and the Charity is continuously working on increasing enrolments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves, however the Charity will continue to coordinate with GIA US on the loan repayment and financial support as needed. Additionally, the Charity has obtained a letter of financial support from the Gemological Institute of America, Inc., that indicates it is prepared to provide further financial support to GIA England necessary for the Charity to continue to operate its business in a proper and lawful manner and has no intention to call upon the Charity to repay any amount due to GIA US including the loan and related interest for at least 12 months from signing of this report. The trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

GIA England

Annual Report and Financial statements 2022

Trustees' report

Year ended 31 December 2022

Achievements and performance

The Charity focused on its objectives of advancing education and training in gemmology. GIA US is an affiliated company with a global mission of ensuring the public trust in gems and jewellery. GIA England furthers this mission through offering education to the trade and public in the UK. 2022 was GIA England's 20th full year of operation as a Registered Charity and the 16th full operating year in its 104 Great Russell Street location.

GIA England continues to fulfil its obligations for institutional accreditation by both the British Accreditation Council (BAC) and the Independent Schools Inspectorate (ISI). No Inspection took place during 2022, however an interim inspection for both ISI and BAC is due to take place in Q2 of 2023.

GIA England remains a 'Student Sponsor' as licenced by the Visa and Immigration (UKVI) department of the UK Home Office, which allows it to admit students from UK visa national countries as full-time students. GIA England offers members of the public, and the jewellery trade, opportunities to learn and benefit from the skills and training that GIA education courses provide.

In order to support the distance education students with the practical components of their education, GIA England continued to offer lab classes at its London campus and added extra lab classes outside of the campus to support the demand. GIA England will continue to monitor the level of needs and explores the ways to offer its courses, possibly again adding in classes outside the campus in 2023.

With the challenges of the global pandemic fading, GIA England's health and safety committee met to address the situation and to make sure GIA England remained fully compliant with the UK Government's guidelines in reference to COVID-19.

GIA England received a total of 284 (2021: 172) student enrolments for the longer on-campus programmes and shorter practical lab classes in 2022.

The Comprehensive CAD/CAM programme remained in demand where total 25 students successfully completed the course in 2022 (2021: 9). GIA England continues to stay current with technology for both gemmology and jewellery design and technology classes to maximise the students' learning experience.

Two on-campus Graduate Gemologist (GG) programme were completed in 2022, graduating at the end of October and December having started in March and June. Another GG programme began in 2022, with a total of 14 students that are scheduled to graduate in May 2023. One Jewelry Design, and three Comprehensive CAD/CAM classes, graduated in 2022 with a total of 34 students graduating overall. It is important to note that our Jewelry Design programme totalled low enrolment numbers due to the unforeseen cancellation of the August class.

A total of 114 (2021: 81) students took on-campus programmes at GIA England in 2022 and 170 students took lab classes (2021: 91).

Short, practical lab classes were offered throughout the year, supporting members of the public, trade and current students completing GIA distance education programmes. Enrolments for the main core gemmology lab classes were strong, reflecting continuing and growing demand for GIA education.

Public Benefit

The Charity's trustees have paid due regard to the public benefit guidance published by the Charity Commission. Providing public access to learn about GIA England's activities and research, as well as gemstones and gemmology, continues to be an important part of GIA England's charitable objectives.

In 2022 GIA England was proud to self-fund the general public accessibility to its education with the scholarship programme, offering scholarships of £63,109 (2021: £80,958). Funds were again made available for students to complete the on-campus gemmology and jewellery design programmes, as well as lab classes. Applications were received in two periods, the first between August to September 2021 and then February to March 2022. The first period of scholarship awards in 2022 for GIA England have allowed three recipients to study the Applied Jewelry Professional Intensive programme and six recipients to study the Quick Design programme. The second period of 2022 scholarships for GIA England have allowed one recipient to study for the Graduate Gemologist programme and

GIA England

Annual Report and Financial statements 2022

Trustees' report

Year ended 31 December 2022

Public Benefit (continued)

another three students to complete the Comprehensive CAD/CAM, and various lab classes. A further three recipients for the Comprehensive CAD/CAM programme and two recipients for the Gem Identification lab class utilized their 2021 scholarship in 2022 since they were granted an extension due to the covid-19 pandemic.

Financial Review

In 2022, the Trustees report income of £1,339,253 which is a 33% increase from £1,008,018 in 2021.

Overall, there was a net deficit for the year of £441,559 (2021: deficit of £516,254). This is primarily due to increase in operating costs. The principal funding sources of; tuition fees, and the loans from GIA US have supported the key objectives of the Charity. In 2022 GIA England received two unsecured twelve-month loans from GIA US in total amount of £608,038, of which £277,588 had an annual interest rate of 3.25% and £330,450 had annual interest rate of 5.5%. In 2021 GIA England received loans from GIA US in total amount of £317,434 also with an annual interest rate of 3.25%. The year end 2022 cash balance was £339,775 which is a 204% increase from £111,915 at year end 2021.

The financial position of the Charity will be affected by ongoing operational expenses and fluctuations in student demand for courses. To mitigate these effects, the Charity will strive to decrease costs and increase course demand.

Restricted funds are to be used for provision of scholarships and awards for those individuals meeting the relevant criteria.

Liquidity Risk:

The Charity's risk to liquidity is a result of the funds available to cover future commitments. The Charity manages liquidity risk through ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequately monitored.

Interest Rate Risk;

The Charity has no significant interest-bearing assets, and the interest-bearing liabilities are at fixed interest rates as such the Charity's income and operating cash flows are substantially independent of changes in the market interest rates.

Foreign Exchange Risk:

The Charity does not hedge foreign exchange fluctuations.

Reserves

The Charity had a deficit on undistributed unrestricted reserves of £1,182,101 at 31 December 2022 (2021: £740,542), although this is below the Charity's policy level of having two months' unrestricted reserves, the Charity has received commitment for financial support from GIA US, to ensure continued operation of business.

Plans for future periods

Advancing opportunities to study and learn about gemmology is GIA England's focus for 2023. Making GIA England's charitable activities more accessible while maintaining our strong reputation and constantly improving the quality of education will direct the Charity's operations. Emphasising the improved career opportunities that GIA education creates will attract students from outside the jewellery industry. GIA England remains committed to offer its annual Career Fair event in the UK in 2023 and to organise events where career advising and training are available to GIA graduates as well as the member of the public.

The lease of GIA England expires in 2023. Negotiations are taking place to renew the lease for a further two years.

GIA England

Annual Report and Financial statements 2022

Trustees' report

Year ended 31 December 2022

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware that is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information, in accordance with section 418 of the Companies Act 2006.

Auditor

A resolution proposing that Deloitte LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



D Tearle
Trustee

12th day of May 2023

GIA England

Annual Report and Financial Statements 2022

Trustees' responsibilities statement

Year ended 31 December 2022

The trustees (who are also directors of GIA England for the purposes of company law) are responsible 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

GIA England

Year ended 31 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GIA England (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

GIA England

Year ended 31 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND

(continued)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the trustees about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included the Charity Commission for England and Wales (Charity Commission) regulations, GDPR regulations and Health and Safety regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Cut-off of Revenue Income and Deferred revenue:
 - Tested the design and implementation of the revenue controls
 - We selected a sample of student deposits and agreed each sample to the relevant enrolment form to confirm that the start date and the course price. For each sample we recalculated amounts earned in the financial year and amounts deferred/deposits received. Amounts were also traced to bank statement.

GIA England

Year ended 31 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND

(continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions to prepare a strategic report.

We have nothing to report in respect of these matters.

GIA England

Year ended 31 December 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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



Jessica Hodges ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

12 May 2023

GIA England
Year ended 31 December 2022

Statement of Financial Activities
(incorporating income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total 2021 £
Income					
<i>Income from charitable activities:</i>					
Operation of classes and distant education	2	1,190,977	-	1,190,977	839,268
Other Income	3	148,276	-	148,276	168,750
Total income		<u>1,339,253</u>	<u>-</u>	<u>1,339,253</u>	<u>1,008,018</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Operation of classes and distant education	4	1,780,812	-	1,780,812	1,524,272
Total expenditure		<u>1,780,812</u>	<u>-</u>	<u>1,780,812</u>	<u>1,524,272</u>
Net expenditure and net movement in funds for the year		(441,559)	-	(441,559)	(516,254)
Reconciliation of Funds					
Total Funds brought forward		<u>(740,542)</u>	<u>-</u>	<u>(740,542)</u>	<u>(224,288)</u>
Total Funds carried forward	15	<u>(1,182,101)</u>	<u>-</u>	<u>(1,182,101)</u>	<u>(740,542)</u>

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

All income and expenditure are derived from continuing operations.

See note 18 for comparative Statement of Financial Activities analysed by funds.

The notes on pages 15 to 25 form part of these financial statements.

GIA England

Balance Sheet At 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	11		411,486		407,922
Current assets					
Inventory		14,713		-	
Debtors	12	39,637		52,892	
Cash at bank and in hand		339,775		111,915	
			<u>394,125</u>	<u>164,807</u>	
Creditors: amounts falling due within one year	13	(1,987,712)		(1,313,271)	
Net current liabilities			<u>(1,593,587)</u>		<u>(1,148,464)</u>
Total assets less current liabilities being net liabilities			<u>(1,182,101)</u>		<u>(740,542)</u>
Income funds					
Restricted funds	15		-		-
Unrestricted funds	15		<u>(1,182,101)</u>		<u>(740,542)</u>
Total funds			<u>(1,182,101)</u>		<u>(740,542)</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and for circulation to members of the company.

The notes on pages 15 to 26 form part of these financial statements. The financial statements of GIA England, registered number 04566140, were approved and authorized for issue by the Board of Trustees on 12 May 2023.



Signed by D Tearle
Trustee

GIA England

Cash Flow Statement For the year ended 31 December 2022

		2022 £	2021 £
	Notes		
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>		<u>(240,198)</u>	<u>(288,575)</u>
Cash flows from investing activities:	11		
Purchase of leasehold improvements, equipment, and education stones		<u>(139,980)</u>	<u>(1,073)</u>
<i>Net cash used in investing activities</i>		<u>(139,980)</u>	<u>(1,073)</u>
Cash flows from financing activities:	13		
Receipt of related party loan		<u>608,038</u>	<u>317,434</u>
<i>Net cash from financing activities</i>		<u>608,038</u>	<u>317,434</u>
Change in cash and cash equivalents in the year		227,860	27,786
Cash and cash equivalents at the beginning of the year		<u>111,915</u>	<u>84,129</u>
Cash and cash equivalents at the end of the year		<u>339,775</u>	<u>111,915</u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2022 £	2021 £
Net expenditure for the year (as per the statement of financial activities)		(441,559)	(516,254)
Adjustments for:			
Depreciation charges	11	10,317	9,548
Loss on sale of fixed assets	11	1,075	-
Noncash purchase of stone set	11	125,024	(125,024)
(Increase)/Decrease in inventory	15	(14,713)	4,112
Decrease/(Increase) in debtors	12	13,255	(27,044)
Increase in creditors	13	<u>66,403</u>	<u>366,087</u>
Net cash used in operating activities		<u>(240,198)</u>	<u>(288,575)</u>
Analysis of cash and cash equivalents			
		2022 £	2021 £
Cash in hand		<u>339,775</u>	<u>111,915</u>
Total cash and cash equivalents		<u>339,775</u>	<u>111,915</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2019)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2016; and the Companies Act 2006.

GIA England (the “Charity” or “Company”) meets the definition of a public benefit entity under FRS 102, and is incorporated in the UK and registered in England and Wales with company number 04566140. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The functional and presentational currency is Sterling.

Going concern

The Charity has cash reserves equivalent to two month of normal operational expenditure. The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. The Charity has been able to obtain financial support in the form of loans from the Gemological Institute of America, Inc., (GIA US), sole member of the Charity. Additionally, the Charity has obtained a letter of financial support from the Gemological Institute of America, Inc., that indicates it is prepared to provide further financial support to GIA England necessary for the Charity to continue to operate its business in a proper and lawful manner and has no intention to call upon the Charity to repay any amount due to GIA US including the loan and related interest for at least 12 months from signing of this report. The Charity is continuously working on increasing enrolments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves, however the Charity will continue to coordinate with GIA US on the loan repayment and financial support as needed. As a consequence, the trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

Income

Income is recognised when there is entitlement, measurement and receipt is probable.

Deferred income

Student fees are payable in respect of courses run over different periods and are credited over the period to which they relate. The balance of this income that falls into the following year at the year-end is shown as deferred income under creditors (see note 14).

Expenditure

All expenses are accounted for on an accruals basis. Expenditure includes attributable value-added tax (VAT) which cannot be recovered.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts programmes and activities.

These costs have been allocated between cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

Governance costs are those associated with constitutional and statutory requirements, and are allocated within support costs.

Funds structure

The Charity maintains two types of funds as follows:

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting policies (continued)

Restricted fund - It includes donations received to operate a scholarship scheme which are subject to the expressed wishes of the donor.

Unrestricted funds - These are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Physical leasehold property	5 years' straight line basis
Electronic leasehold property	3 years' straight line basis
Stones and metals	No depreciation as residual value expected to be equal to cost. An annual review is carried out to establish if there has been impairment.
Fixtures, fittings & equipment	3 years' straight line basis

Capitalisation of equipment

All single purchases of less than £1,000 (incl. VAT) are written off in the year of purchase unless forming part of a more comprehensive scheme where the total is £1,000 (incl. VAT) or more.

Inventory

Inventory is composed primarily of books and course materials and is valued at the lower of cost or net realisable value. Cost is determined using the first-in, first-out method.

Debtors

Prepayments or other costs that relate to future activity are recognized as an asset when it is probable that those costs will be recovered and measured at fair value.

Operation leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the terms of the leases.

Taxation

GIA England as a registered charity is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Foreign currency translation

Monetary assets and liabilities dominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and measured at fair value.

Financial assets are derecognised when and only when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the assets to another party.

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting policies (continued)

Financial liabilities are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Defined contribution pension scheme

Costs relating to the defined contribution scheme are considered unrestricted and recognised in the Statement of Financial Activities when payable.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements or key sources of estimation uncertainty at the reporting date.

2. Income from charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
On campus courses	1,006,930	741,678
Lab classes	184,047	97,590
Total income from charitable activities	1,190,977	839,268

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

3. Other Income

	Restricted Funds 2022 £	Restricted Funds 2021 £
Government Grant for furlough employees	-	65,648
	<u>-</u>	<u>65,648</u>
	<u>-</u>	<u>65,648</u>
	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Income from career fair	1,951	-
Income from related party service fee	146,325	103,102
	<u>148,276</u>	<u>103,102</u>
	<u>148,276</u>	<u>103,102</u>

On January 1 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions (see note 17).

4. Analysis of expenditure on charitable activities

	2022 £	2021 £
Charitable expenditure comprise:		
Wages and salaries (see note 10)	942,336	833,673
Operating lease rentals (premises)	290,261	256,898
Study materials	59,896	38,404
Depreciation	10,317	9,548
Loss on disposal of fixed asset	1,075	-
Support costs (see note 5)	366,025	202,144
Governance costs (see note 5)	47,793	36,999
Student awards (Unrestricted funds)	63,109	76,776
Student awards (Restricted funds)	-	4,182
Furlough (Restricted funds) see note 8	-	65,648
	<u>1,780,812</u>	<u>1,524,272</u>
	<u>1,780,812</u>	<u>1,524,272</u>

Governance costs comprise legal and professional fees (see note 5) and an allocation of support costs.

Expenditure on charitable activities was £1,780,812 (2021: £1,524,272) of which £1,780,712 was unrestricted (2021: £1,454,442) and none was restricted (2021: £69,830).

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

5. Analysis of support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relates to the governance function. Having identified the governance costs, the remaining support costs are apportioned on the basis of the percentage of total governance costs to charitable activities expenditure.

	2022 Allocated to costs of		
	General support	Governance	Total
	£	£	£
Accounting	-	11,435	11,435
Audit fees	-	22,400	22,400
Legal fees	-	669	669
Payroll & other services	-	2,966	2,966
Administration: printing, stationery, etc.	188,648	5,321	193,969
Travel and entertaining	1,305	37	1,342
Interest Expense	32,415	914	33,329
Currency profit/loss	115,205	3,249	118,454
Other administration and management costs	28,452	802	29,254
	366,025	47,793	413,818

	2021 Allocated to costs of		
	General support	Governance	Total
	£	£	£
Accounting	-	1,499	1,499
Audit fees	-	18,000	18,000
Legal	-	3,667	3,667
Payroll & other services	-	8,695	8,695
Administration: printing, stationery, etc.	138,796	3,529	142,325
Travel and entertaining	1,500	38	1,538
Interest Expense	15,230	387	15,617
Currency profit/loss	23,971	609	24,580
Other administration and management costs	22,647	575	23,222
	202,144	36,999	239,143

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

6. Net Income/ (Expenditure) for the Year

	2022 £	2021 £
Net income/(expenditure) is stated after charging:		
Finance cost	(33,329)	(15,617)
Gain/(Loss) on exchange rate net	(118,454)	(24,580)
Balance at 31 December	(151,783)	(40,197)

7. Legal and professional fees

	2022 £	2021 £
Auditor remuneration		
Fees payable to the Charity's auditor for the audit of the annual accounts	22,400	18,000
Total charges by the Auditor	22,400	18,000
Legal and professional fees of solicitors, consultants and other advisors	15,070	13,861
Total legal and professional fees	37,470	31,861

No non audit services provided by the Auditor during the year 2022 (2021: none).

8. Restricted funds

Capital and income generated from assets held in the restricted fund for the operation of the scholarship scheme are subject to the expressed wishes of the donor. There were no restricted funds remaining at the end of 2022 or 2021. Furthermore, no government grant for furlough employees received in 2022 (2021: £65,648)

9. Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the Charity during the year 2022 (2021: none).

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

10. Employees

Number of employees

The average monthly number of employees during the year was:

	2022 No.	2021 No.
Instructors	8	8
Support Staff	5	4
Total	13	12

Employment costs

	2022 £	2021 £
Wages and salaries	661,841	526,384
Health/Life assurance	25,895	19,888
Social security costs	82,879	86,079
Other pension costs	69,971	58,502
Other employment costs	101,750	142,820
	942,336	833,673

The number of employees whose annual emoluments were £60,000 or more were:

	2022 No.	2021 No.
£60,000 - £69,999	1	1
£70,000 - £79,999	2	1

Contributions totalling £29,266 (2021: £17,452) were made to personal pension schemes on behalf of employees whose emoluments exceed £60,000.

Pension contributions outstanding at the year-end amounted to £14,421 (2021: £7,952). The key management personnel of the Charity are considered to be Campus Director, Sr. Manager Instruction/Accreditation and Admissions/Administration Manager. Remuneration of these employees in aggregate in the year was £209,330 (2021: £200,691).

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

11. Tangible fixed assets

	Leasehold improvements £	Stones and metals £	Fixtures fittings & equipment £	Total £
Cost				
At 1 January 2022	260,461	345,324	304,966	910,751
Additions	-	-	14,956	14,956
Disposals	-	-	(1,518)	(1,518)
	<u>260,461</u>	<u>345,324</u>	<u>318,404</u>	<u>924,189</u>
At 31 December 2022	260,461	345,324	318,404	924,189
Depreciation				
At 1 January 2022	260,461	-	242,368	502,829
Disposals	-	-	(443)	(443)
Charge for the year	-	-	10,317	10,317
	<u>260,461</u>	<u>-</u>	<u>252,242</u>	<u>512,703</u>
At 31 December 2022	260,461	-	252,242	512,703
Net book value				
At 31 December 2022	<u>-</u>	<u>345,324</u>	<u>66,162</u>	<u>411,486</u>
At 31 December 2021	<u>-</u>	<u>345,324</u>	<u>62,598</u>	<u>407,922</u>

12. Debtors: amounts falling due within one year

	2022 £	2021 £
Prepayments	8,555	23,075
Employee receivable	3,793	-
Accrued receivable from related party (Note 17)	27,289	29,817
	<u>39,637</u>	<u>52,892</u>
Balance at 31 December	39,637	52,892

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Taxes and social security costs	20,290	17,406
Other creditors	47,203	27,015
Amount due to related party (interest free and repayable on demand)	16,844	149,376
Loans due to related party (Note 17)	1,218,534	610,496
Interest on loans due to related party (Note 17)	15,265	4,977
Accruals	130,213	115,550
Deferred income (Note 14)	539,363	388,451
	<u>1,987,712</u>	<u>1,313,271</u>

Loans due to related party are unsecured 12 month loans subject to 3.25% and 5.5% annual interest from the Gemological Institute of America, Inc., in amounts of £888,084 and £330,450, respectively.

14. Deferred income

	2022 £	2021 £
Balance at 1 January	388,451	248,843
Fees received	1,341,889	978,876
Credited to income	(1,190,977)	(839,268)
	<u>539,363</u>	<u>388,451</u>
Balance at 31 December	<u>539,363</u>	<u>388,451</u>

15. Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	411,486	-	411,486
Current assets	394,125	-	394,125
Creditors: amounts falling due within one year	(1,987,712)	-	(1,987,712)
	<u>(1,182,101)</u>	<u>-</u>	<u>(1,182,101)</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

15. Analysis of net assets between funds (continued)

Fund balances at 31 December 2021 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	407,922	-	407,922
Current assets	164,807	-	164,807
Creditors: amounts falling due within one year	(1,313,271)	-	(1,313,271)
	<u>(740,542)</u>	<u>-</u>	<u>(740,542)</u>

16. Commitments under operating leases

The Company had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2022 £	2021 £
Leases which expire:		
Within one year	172,276	257,597
Between two and five years	-	172,276
Over five years	-	-
	<u>172,276</u>	<u>429,873</u>

17. Related parties

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. GIA England is in possession of certain items of gemological equipment and gemstone samples which are used to teach the courses. These are provided by Gemological Institute of America, Inc. and are on extended loan to GIA England. GIA England is also invoiced by Gemological Institute of America, Inc., for training support and the cost of books and equipment used to teach the classes which totalled £99,944 for the year (2021: £216,116).

On January 1, 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions. The agreement effective as of January 1, 2021 shall be automatically renewed annually unless either party gives the other party a notice not to renew as per the conditions stated in the agreement. The Gemological Institute of America, Inc., is committed to pay the fee as specified per agreement, in 2022 the fee totalled £146,325 (2021: £103,102).

GIA England received two unsecured twelve-month loans from Gemological Institute of America, Inc., in total of £608,038, of which £277,588 had an annual interest rate of 3.25% and £330,450 had annual interest rate of 5.5%. All outstanding loans resulted in interest expense of £33k. The loans were denominated in dollars \$650k USD for 2022 and translated to sterling, the translation of all outstanding loans resulted in £77k unrealized foreign exchange loss for the year 2022. Comparatively GIA England received unsecured twelve-month loans from Gemological Institute of America, Inc., in total of £317,434 for the year 2021 with an annual interest rate of 3.25%. All outstanding loans resulted in interest expense of £16k for 2021. The loans were denominated in dollars \$425k USD for 2021 and translated to sterling, the translation of all outstanding loans resulted in £16k unrealized foreign exchange loss for the year 2021.

The balance due Gemological Institute of America, Inc., at the year-end was £1,250,643 (2021: £764,849) of which £1,218,534 (2021: £610,496) was for the principal on the loans, £15,265 (2021: £4,997) was for interest on loans, and £16,844 (2021: £149,376) was for other support costs/purchases.

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

17. Related parties (continued)

The balance due from Gemological Institute of America, Inc., at the year end was £27,289 (2021: £29,817), related to the service fee.

18. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2021 £
Income				
<i>Income from charitable activities:</i>				
Operation of classes and distant education	2	839,268	-	839,268
Government grant for furlough	3	103,102	65,648	168,750
Total income		<u>942,370</u>	<u>65,648</u>	<u>1,008,018</u>
Expenditure				
<i>Expenditure on charitable activities:</i>				
Operation of classes and distant education	4	<u>1,454,442</u>	<u>69,830</u>	<u>1,524,272</u>
Total expenditure		<u>1,454,442</u>	<u>69,830</u>	<u>1,524,272</u>
Net expenditure and net movement in funds for the year		(512,072)	(4,182)	(516,254)
Reconciliation of Funds				
Total Funds brought forward		<u>(228,470)</u>	<u>4,182</u>	<u>(224,288)</u>
Total Funds carried forward	15	<u><u>(740,542)</u></u>	<u><u>-</u></u>	<u><u>(740,542)</u></u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2022

19. Movement on Funds

Year ended 31 December 2022	At 1 January 2022 £	Income £	Expenditure (including taxation) £	At 31 December 2022 £
Unrestricted funds:				
General fund	(740,542)	1,339,253	1,780,812	(1,182,101)
Unrestricted funds total	(740,542)	1,339,253	1,780,812	(1,182,101)
Restricted funds:				
Donor restricted fund	-	-	-	-
Restricted funds total	-	-	-	-
Total charity funds	(740,542)	1,339,253	1,780,812	(1,182,101)

Donor restricted fund is for the purpose of awards related to jewellery design competitions.

Year ended 31 December 2021	At 1 January 2021 £	Income £	Expenditure (including taxation) £	At 31 December 2021 £
Unrestricted funds:				
General fund	(228,470)	942,370	1,454,442	(740,542)
Unrestricted funds total	(228,470)	942,370	1,454,442	(740,542)
Restricted funds:				
Donor restricted fund	4,182	65,648	69,830	-
Restricted funds total	4,182	65,648	69,830	-
Total charity funds	(224,288)	1,008,018	1,524,272	(740,542)

Donor restricted fund is for the purpose of awards related to jewellery design competitions.

Accounts

Charity Registration No. 1101116

Company Registration No. 04566140 (England and Wales)

GIA England

Annual Report and Financial Statements

For the year ended 31 December 2021

GIA England

Annual Report and Financial Statements 2021

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Legal and administration information

Governing Document

Memorandum and Articles of Association

Trustees

S Jacques
T M Moses
D Tearle

Campus Director

Mehdi Saadian

Secretary

7side Secretarial Ltd

Charity number

1101116

Company number

04566140

Registered office

C/O Legalex Limited
Churchill House, Churchill Way
Cardiff, Wales CF10 2HH

Bankers

HSBC
1st Floor, 60 Queen Victoria St
London
EC4N 4TR

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

GIA England Annual Report and Financial statements 2021

Trustees' report Year ended 31 December 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021. GIA England has taken advantage of the small companies' exemption in preparing the strategic report in accordance with the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 in the accounts and comply with the Charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in January 2019.

Structure, governance and management

GIA England (the "Charity" or the "Company") is a company limited by guarantee and was incorporated on 17 October 2002 in England and Wales with Charity number 110116 and Company number 04566140. The principal place of business is 104 Great Russell Street London WC1B 3LA United Kingdom and its registered office Churchill House, Churchill Way Cardiff, Wales CF10 2HH.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of this report (except where noted), were:

D Tearle
T M Moses
S Jacques

The trustees are recruited, appointed (or reappointed) based on the experience needed to fulfil their duties. Each of the trustees has many years of experience in the fields of education, research and provision of service to the gem and jewellery industry. The trustees receive annual legal counseling on areas such as employment law, health & safety regulations, and immigration and visas to stay abreast of the current policies and have an overview of the possible future changes. Additionally, they receive regular training on current issues including local and global financial regulations and compliance, cyber security, and privacy.

None of the trustees have any beneficial interest in the company. None have received any remuneration or expenses in this financial year 2021 or in the prior year 2020. All of the trustees are members of the Company and guarantee to contribute up to £10 in the event of winding up.

The Board of Trustees is responsible for the management of the risks faced by the Charity. They are satisfied, through the various systems in place that potential risks are identified and adequately managed. It is recognized that systems can only provide reasonable, not absolute assurance that major risks have been adequately managed.

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. Transactions with related parties are disclosed in the notes to the financial statements.

The trustees have granted executive control over operations and day-to-day decision-making to Mehdi Saadian, Campus Director. This includes financial planning, education quality and training, and student management. In addition to Mr Saadian, Francesca Lawley-Hughes, Senior Manager of Instruction and Accreditation, and Kelsey Pringle, Admissions and Administration Manager, complete the management structure in the UK. Mehdi Saadian reports to Sam Kong, GIA US Senior Director, Global Education who reports to Duncan Pay, SVP and Chief Academic Officer.

Pay and remuneration of key management personnel is determined by the pay scales for each role based on the level of experience of the staff member. In addition to this, a performance appraisal system is being used to monitor employee development and achievement towards the Charity's objectives.

Objectives and activities

The Charity's objectives are the advancement of education and training in the science and practice of gemmology and related subjects for the benefit of the public by such means as are charitable in law to include, without prejudice to the generality of the foregoing, the provision of a training centre and research facilities. GIA England's main objectives

GIA England Annual Report and Financial statements 2021

Trustees' report Year ended 31 December 2021

Objectives and activities (continued)

for the year, strategies for achieving them and significant activities are all included in the Achievements and Performance section of this report.

One jewellery design award competition, sponsored by local jewellery business H. Goldie, was again offered with the winner receiving a cash prize. GIA England also continued to support the Goldsmiths' Craft and Design Council Awards in 2021, by offering two enrolments in the GIA Diamond Grading lab class as prizes.

During the 2021 COVID-19 lockdown (January –March), GIA England's *Gemstone Gatherings* evening events were replaced with bi-weekly virtual seminars where the students as well as the member of the jewellery trade benefitted from the specialized talks delivered by distinguished members of GIA US research team, on the topics related to diamonds, coloured stones, gem mining as well as cultured pearls. These bi-weekly virtual events, which have been held regularly since April 2020, provided wealth of knowledge and expertise to GIA students and graduates who were keen to continue their professional development during the pandemic.

GIA's London alumni chapter hosted fourteen events online from in 2021. These events covered topics such as Behind the Scenes with Christies, Beyond Faberge, Micro-world of Gems from A to Z and Purely Paraiba. These sessions also included online networking after each seminar. These events help support GIA's students through developing their knowledge further and expanding their network to help forward their careers in the industry.

In terms of continuing educational and professional developments, one of GIA England's faculty members completed two Special Education Needs and Disabilities (SEND) courses to become our dedicated SEND Instructor, one member of the faculty completed their First Aid training and two members of the admin team participated in a Student Visa training session provided by UK Council for International Student Affairs (UKCISA.) GIA England is dedicated to create an environment for professional development for the faculty as well as the admission team members, and will continue to provide them with specific training courses on SEND, through the British Dyslexia Association and ADHD Foundation, and to better assisting students with specific visa requirements, through UK Council for International Student Affairs (UKCISA). These trainings have allowed GIA England to further adhere to regional best-practice guidelines for similarly accredited institutions, alongside the courses' professional development value for the staff.

Going Concern

It is likely that the COVID-19 pandemic will continue to have an impact on the Charity's revenue over the next 12 months, however, GIA US has committed to continue providing financial support to GIA England through at least 12 months from the signing of this report for the company to continue to operate its business in a proper and lawful manner, further details on page 15. The Charity has cash reserves equivalent to one month of normal operational expenditure. The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. Although demand has fallen due to the temporary government lockdowns related to COVID-19, the Charity is continuously working on increasing enrollments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves, however the Charity will continue to coordinate with GIA US on the loan repayment and financial support as needed. The trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

Achievements and performance

The Charity focused on its objectives of advancing education and training in gemmology. GIA US is an affiliated company with a global mission of ensuring the public trust in gems and jewellery. GIA England furthers this mission through offering education to the trade and public in the UK. 2021 was GIA England's 19th full year of operation as a Registered Charity and the 15th full operating year in its 104 Great Russell Street location.

GIA England continues to fulfil its obligations for institutional accreditation by both the British Accreditation Council (BAC) and the Independent Schools Inspectorate (ISI). Both ISI and BAC full accreditation inspections were carried out in Q2 of 2021. The school 'met expectations' in some areas and achieved 'exceeding expectations' in others, in both inspections.

GIA England Annual Report and Financial statements 2021

Trustees' report Year ended 31 December 2021

Achievements and performance (continued)

GIA England remains a 'Student Sponsor' as licenced by the Visa and Immigration (UKVI) department of the UK Home Office, which allows it to admit students from UK visa national countries as full-time students. GIA England offers members of the public, and the jewellery trade, opportunities to learn and benefit from the skills and training that GIA education courses provide. The main method of promotion continued to be through use of the internet and direct email marketing to targeted sections of GIA England's growing database. People making enquiries are encouraged to visit GIA England's premises, where staff can personally advise them on the best courses suited to their chosen career path. GIA's strong reputation, and growing awareness among the public, has led to increased demand – often via personal recommendations – for its services.

In order to support the distance education students with the practical components of their education, GIA England continued to offer lab classes at its London campus. GIA England will continue to monitor the level of needs and explores the ways to offer its courses, possibly adding in classes outside the campus in 2022.

To address the ongoing challenges related to the global pandemic and to ensure everyone's health and safety, GIA England has remained fully compliant with the UK Government's guidelines to maintain a COVID-secure campus. Based on the Department of Education guidelines for schools and colleges, GIA England's Health and Safety Committee put in place strict safety measures to mitigate the risks of spreading the virus before reopening in March 2021. These measures included: installation of protective screens on the students' and the staffs' desks to avoid direct contact, hand sanitizer stations throughout the building, a new automated temperature check upon entering the building and the use of masks by all staff and students.

GIA England received a total of 172 (2020: 138) student enrolments for the longer on-campus programmes and shorter practical lab classes in 2021.

With the national lockdown in place from January–March 2021, GIA England was not able to offer as many courses as it had initially planned. However, the Comprehensive CAD/CAM programme remained in demand where total nine students successfully completed the course in 2021 (2020: 12). GIA England continues to stay current with technology for both gemmology and jewellery design and technology classes to maximise the students' learning experience.

Despite all the business interruptions in 2021 due to the national lockdown and the temporary school closure from January to March, two on-campus Graduate Gemologist (GG) programme were completed in 2021, both graduating at the end of October having started in April. Another two GG programmes began in 2021, with a total of 24 students that are scheduled to graduate in April and May 2022. Two Jewelry Design, and two Comprehensive CAD/CAM classes, graduated in 2021 with a total of 20 students graduated overall.

A total of 81 (2020: 59) students took on-campus programmes at GIA England in 2021 and 91 students took lab classes (2020: 79).

Short, practical lab classes were offered throughout the year, supporting members of the public, trade and current students completing GIA distance education programmes. Enrolments for the main core gemmology lab classes were strong, reflecting continuing and growing demand for GIA education.

GIA England employed one Office Administrator and one Admissions Representative in 2021, with the total number of full-time staff in London at 12. However, with the national lockdown, GIA England placed various employees on furlough between January and July 2021 and received £65,648 (2020: £80,828) in government grants to cover the employee furloughs.

Public Benefit

The Charity's trustees have paid due regard to the public benefit guidance published by the Charity Commission. Providing public access to learn about GIA England's activities and research, as well as gemstones and gemmology, continues to be an important part of GIA England's charitable objectives.

In 2021 GIA England was proud to self-fund the general public accessibility to its education with the scholarship programme, offering scholarships of £80,958 (2020: £60,657). Funds were again made available for students to

GIA England Annual Report and Financial statements 2021

Trustees' report Year ended 31 December 2021

Public Benefit (continued)

complete the on-campus gemmology and jewellery design programmes, as well as lab classes. Applications were received in two periods, the first between August to September 2020 and then February to March 2021. The 2021 scholarships for GIA England have allowed four recipients to study for the Graduate Gemologist programme and another 19 students to complete the Comprehensive CAD/CAM, and various lab classes. GIA England was delighted to grant scholarship extension to those who were not able to either travel or attend the classes as a result of the pandemic.

Financial Review

In 2021, the Trustees report income of £1,008,018, which is a 30% increase from £776,830 in 2020.

Overall, there was a net deficit for the year of £516,254 (2020: deficit of £442,579). This is due to the temporary school closure for nearly three months due to pandemic as well as increase in operating costs. The principal funding sources of; tuition fees, and the loans from GIA US have supported the key objectives of the Charity. In 2021 GIA England received unsecured twelve-month loans from GIA US in total amount of £317,434, with an annual interest rate of 3.25%. In 2020 GIA England received loans from GIA US in total amount of £293,062 also with an annual interest rate of 3.25%.

Restricted funds are to be used for provision of scholarships and awards for those individuals meeting the relevant criteria.

Liquidity Risk:

The Charity's risk to liquidity is a result of the funds available to cover future commitments. The Charity manages liquidity risk through ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequately monitored.

Interest Rate Risk;

As the Charity has no significant interest-bearing assets, the Charity's income and operating cash flows are substantially independent of changes in the market interest rates.

Foreign Exchange Risk:

The Charity does not hedge foreign exchange fluctuations.

Reserves

The Charity had a deficit on undistributed unrestricted reserves of £740,542 at 31 December 2021 (2020: £228,470), although this is below the Charity's policy level of having two months' unrestricted reserves, the Charity has received commitment for financial support from GIA US, to ensure continued operation of business.

Plans for future periods

Advancing opportunities to study and learn about gemmology is GIA England's focus for 2022. Making GIA England's charitable activities more accessible while maintaining our strong reputation and constantly improving the quality of education will direct the Charity's operations. Emphasising the improved career opportunities that GIA education creates will attract students from outside the jewellery industry. Although GIA England was not able to hold its annual Career Fair event in the UK in 2020 or 2021 due to pandemic, it remains committed to resume such activities in July 2022 and to organise events where career advising and training are available to GIA graduates as well as the member of the public.

During 2021 GIA Education undertook extensive research to devise a Strategic Enrolment Management (SEM) plan. The SEM plan was devised to analyse data from our current student database and from the gem and jewellery markets in the UK and Europe. We identified which markets are growing and would be best to target, plus we identified which countries we tend to get the most enrolments from. From this data, we were then able to come up with goals relating to new student enrolments and retention of students into further class. These goals were then broken down into strategies and tactics that targeted marketing in growing markets and universities, training of staff and creation of

GIA England Annual Report and Financial statements 2021

Trustees' report Year ended 31 December 2021

events. This plan was put in motion towards the end of 2021 and will carry on into 2023, when it will be reviewed and reflected upon for its efficacy by mid-2023.

With the focus to adopt the use of technology and improve the user experience, and in-line with GIA US, GIA England migrated to a new and modern student enrolment and database system in 2021. This new system has enabled the Charity to not only streamline the entire enrolment process, but it also to offer a very secure yet user-friendly admission process to the students.

Post balance sheet events

In February 2022 GIA England signed a further unsecured twelve-month loan agreement for additional funding from the Gemological Institute of America, Inc., further details in note 19.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware that is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information, in accordance with section 418 of the Companies Act 2006.

Auditor

A resolution proposing that Deloitte LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



D Tearle
Trustee

12 MAY
..... day of, 2022

GIA England

Annual Report and Financial Statements 2021

Trustees' responsibilities statement

Year ended 31 December 2021

The trustees (who are also directors of GIA England for the purposes of company law) are responsible 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GIA England (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (incorporating the income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND (continued)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act, UK Companies Act and Pensions Act;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included the Charity Commission for England and Wales (Charity Commission) regulations, GDPR regulations and Health and Safety regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Cut-off of Revenue Income and Deferred revenue:
 - Tested the design and implementation of the revenue controls
 - We selected a sample of student deposits and agreed each sample to the relevant enrolment form to confirm that the start date and the course price. For each sample we recalculated amounts earned in the financial year and amounts deferred/deposits received. Amounts were also traced to bank statement.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIA ENGLAND (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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



Jessica Hodges ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

13 May 2022

GIA England
Year ended 31 December 2021

Statement of Financial Activities
(incorporating income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total 2020 £
Income					
<i>Income from charitable activities:</i>					
Operation of classes and distant education	2	839,268	-	839,268	695,810
Other Income	4	103,102	65,648	168,750	80,828
Investment income	3	-	-	-	192
Total income		<u>942,370</u>	<u>65,648</u>	<u>1,008,018</u>	<u>776,830</u>
Expenditure					
<i>Expenditure on charitable activities:</i>					
Operation of classes and distant education	5	<u>1,454,442</u>	<u>69,830</u>	<u>1,524,272</u>	<u>1,219,409</u>
Total expenditure		<u>1,454,442</u>	<u>69,830</u>	<u>1,524,272</u>	<u>1,219,409</u>
Net expenditure and net movement in funds for the year		(512,072)	(4,182)	(516,254)	(442,579)
Reconciliation of Funds					
Total Funds brought forward		<u>(228,470)</u>	<u>4,182</u>	<u>(224,288)</u>	<u>218,291</u>
Total Funds carried forward	16	<u><u>(740,542)</u></u>	<u><u>-</u></u>	<u><u>(740,542)</u></u>	<u><u>(224,288)</u></u>

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

All income and expenditure are derived from continuing operations.

See note 20 for comparative Statement of Financial Activities analysed by funds.

The notes on pages 15 to 26 form part of these financial statements.

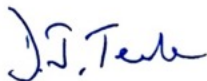
GIA England

Balance Sheet At 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	12		407,922		291,373
Current assets					
Inventory		-		4,112	
Debtors	13	52,892		25,848	
Cash at bank and in hand		111,915		84,129	
			<u>164,807</u>	<u>114,089</u>	
Creditors: amounts falling due within one year	14	(1,313,271)		(629,750)	
Net current liabilities			<u>(1,148,464)</u>		<u>(515,661)</u>
Total assets less current liabilities being net liabilities			<u>(740,542)</u>		<u>(224,288)</u>
Income funds					
Restricted funds	16	-			4,182
Unrestricted funds	16		(740,542)		(228,470)
Total funds			<u>(740,542)</u>		<u>(224,288)</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and for circulation to members of the company.

The notes on pages 15 to 26 form part of these financial statements. The financial statements of GIA England, registered number 04566140, were approved and authorized for issue by the Board of Trustees on 12 MAY, 2022.



Signed by D Tearle
Trustee

GIA England

Cash Flow Statement For the year ended 31 December 2021

		2021 £	2020 £
	Notes		
Cash flows from operating activities:			
<i>Net cash used in operating activities</i>		(288,575)	(527,939)
Cash flows from investing activities:	12		
Purchase of leasehold improvements, equipment, and education stones		(1,073)	(15,132)
<i>Net cash used in investing activities</i>		(1,073)	(15,132)
Cash flows from financing activities:	14		
Loan from related party		317,434	293,062
<i>Net cash from financing activities</i>		317,434	293,062
Change in cash and cash equivalents in the year		27,786	(250,009)
Cash and cash equivalents at the beginning of the year		84,129	334,138
Cash and cash equivalents at the end of the year		111,915	84,129
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2021 £	2020 £
Net expenditure for the year (as per the statement of financial activities)		(516,254)	(442,579)
Adjustments for:			
Depreciation charges	12	9,548	15,127
Noncash purchase of stone set	12	(125,024)	-
Decrease/(Increase) in inventory	16	4,112	11,437
Decrease/(Increase) in debtors	13	(27,044)	71,186
Increase/(Decrease) in creditors	14	366,087	(183,110)
Net cash used in operating activities		(288,575)	(527,939)
Analysis of cash and cash equivalents			
		2021 £	2020 £
Cash in hand		111,915	84,129
Total cash and cash equivalents		111,915	84,129

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2019)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2016; and the Companies Act 2006.

GIA England (the “Charity” or “Company”) meets the definition of a public benefit entity under FRS 102, and is incorporated in the UK and registered in England and Wales with company number 04566140. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The functional and presentational currency is Sterling.

Going concern

The Charity has cash reserves equivalent to one month of normal operational expenditure. The Charity's revenues are largely derived from student enrolment fees which are paid prior to commencement of courses. Although demand has fallen due to the temporary government lockdowns related to COVID-19, the Charity has been able to obtain financial support in the form of loans from the Gemological Institute of America, Inc., (GIA US), sole member of the Charity. Additionally, the Charity has obtained a letter of financial support from the Gemological Institute of America, Inc., that indicates it is prepared to provide further financial support to GIA England necessary for the Charity to continue to operate its business in a proper and lawful manner and has no intention to call upon the Charity to repay any amount due to GIA US including the loan and related interest for at least 12 months from signing of this report. The Charity is continuously working on increasing enrollments and subsequently revenue which will allow repayment of the loans and replenishment of the reserves, however the Charity will continue to coordinate with GIA US on the loan repayment and financial support as needed. As a consequence, the trustees believe that the Charity is well placed to manage its financial risks successfully despite the current economic climate and as such, the annual accounts continue to be prepared on the going concern basis.

Income

Income is recognised when there is entitlement, measurement and receipt is probable.

Deferred income

Student fees are payable in respect of courses run over different periods and are credited over the period to which they relate. The balance of this income that falls into the following year at the year-end is shown as deferred income under creditors (see note 15).

Expenditure

All expenses are accounted for on an accruals basis. Expenditure includes attributable value-added tax (VAT) which cannot be recovered.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts programmes and activities.

These costs have been allocated between cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

Governance costs are those associated with constitutional and statutory requirements, and are allocated within support costs.

Funds structure

The Charity maintains two types of funds as follows:

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

1. Accounting policies (continued)

Restricted fund - It includes donations received to operate a scholarship scheme which are subject to the expressed wishes of the donor.

Unrestricted funds - These are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Physical leasehold property	5 years' straight line basis
Electronic leasehold property	3 years' straight line basis
Stones and metals	No depreciation as residual value expected to be equal to cost. An annual review is carried out to establish if there has been impairment.
Fixtures, fittings & equipment	3 years' straight line basis

Capitalisation of equipment

All single purchases of less than £1,000 (incl. VAT) are written off in the year of purchase unless forming part of a more comprehensive scheme where the total is £1,000 (incl. VAT) or more.

Inventory

Inventory is composed primarily of books and course materials and is valued at the lower of cost or net realisable value. Cost is determined using the first-in, first-out method.

Debtors

Prepayments or other costs that relate to future activity are recognized as an asset when it is probable that those costs will be recovered.

Operation leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the terms of the leases.

Taxation

GIA England as a registered charity is exempt from Corporation Tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Foreign currency translation

Monetary assets and liabilities dominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when and only when (a) the contractual right to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the assets to another party.

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

1. Accounting policies (continued)

Financial liabilities are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Defined contribution pension scheme

Costs relating to the defined contribution scheme are considered unrestricted and recognised in the Statement of Financial Activities when payable.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical accounting judgements or key sources of estimation uncertainty at the reporting date.

2. Income from charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
On campus courses	741,678	602,695
Lab classes	97,590	93,115
Total income from charitable activities	839,268	695,810

3. Investment income

	2021 £	2020 £
Interest receivable	-	192

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

4. Other Income

	Restricted Funds 2021 £	Restricted Funds 2020 £
Government Grant for furlough employees	65,648	80,828
	<u>65,648</u>	<u>80,828</u>
	<u><u>65,648</u></u>	<u><u>80,828</u></u>
	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Income from related party service fee	103,102	-
	<u>103,102</u>	<u>-</u>
	<u><u>103,102</u></u>	<u><u>-</u></u>

On January 1 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions (see note 18).

5. Analysis of expenditure on charitable activities

	2021 £	2020 £
Charitable expenditure comprise:		
Wages and salaries (see note 11)	833,673	556,163
Operating lease rentals (premises)	256,898	241,690
Study materials	38,404	78,566
Depreciation	9,548	15,127
Support costs (see note 6)	202,144	132,638
Governance costs (see note 6)	36,999	53,740
Student awards (Unrestricted funds)	76,776	58,657
Student awards (Restricted funds)	4,182	2,000
Furlough (Restricted funds) see note 11	65,648	80,828
	<u>1,524,272</u>	<u>1,219,409</u>
	<u><u>1,524,272</u></u>	<u><u>1,219,409</u></u>

Governance costs comprise legal and professional fees (see note 6) and an allocation of support costs.

Expenditure on charitable activities was £1,524,272 (2020: £1,219,409) of which £1,454,442 was unrestricted (2020: £1,136,581) and £69,830 was restricted (2020: £82,828).

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

6. Analysis of support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relates to the governance function. Having identified the governance costs, the remaining support costs are apportioned on the basis of the percentage of total governance costs to charitable activities expenditure.

	2021 Allocated to costs of		
	General support £	Governance £	Total £
Accounting	-	1,499	1,499
Audit fees	-	18,000	18,000
Legal fees	-	3,667	3,667
Payroll & other services	-	8,695	8,695
Administration: printing, stationery, etc.	138,796	3,529	142,325
Travel and entertaining	1,500	38	1,538
Other administration and management costs	61,848	1,571	63,419
	<u>202,144</u>	<u>36,999</u>	<u>239,143</u>

	2020 Allocated to costs of		
	General support £	Governance £	Total £
Accounting	-	1,523	1,523
Audit fees	-	18,000	18,000
Legal	-	6,180	6,180
Payroll & other services	-	21,663	21,663
Administration: printing, stationery, etc.	114,260	5,491	119,751
Travel and entertaining	2,532	122	2,654
Other administration and management costs	15,846	761	16,607
	<u>132,638</u>	<u>53,740</u>	<u>186,378</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

7. Net Income/ (Expenditure) for the Year

	2021 £	2020 £
Net income/(expenditure) is stated after charging:		
Finance cost	(15,617)	(1,938)
Gain/(Loss) on exchange rate net	(24,580)	10,929
Balance at 31 December	(40,197)	8,991

8. Legal and professional fees

	2021 £	2020 £
Auditor remuneration		
Fees payable to the Charity's auditor for the audit of the annual accounts	18,000	18,000
Total charges by the Auditor	18,000	18,000
Legal and professional fees of solicitors, consultants and other advisors	13,861	29,366
Total legal and professional fees	31,861	47,366

9. Restricted funds

Capital and income generated from assets held in the restricted fund for the operation of the scholarship scheme are subject to the expressed wishes of the donor. There were no restricted funds remaining at the end of 2021.

10. Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the Charity during the year 2021 (2020: none).

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

11. Employees

Number of employees

The average monthly number of employees during the year was:

	2021 No.	2020 No.
Administration	12	11

Employment costs

	2021 £	2020 £
Wages and salaries	526,384	416,713
Health/Life assurance	19,888	17,661
Social security costs	86,079	58,233
Other pension costs	58,502	50,856
Other employment costs	142,820	12,700
	<u>833,673</u>	<u>556,163</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2021 No.	2020 No.
£60,000 - £69,999	1	-
£70,000 - £79,999	1	1

Contributions totalling £17,452 (2020: £10,755) were made to personal pension schemes on behalf of employees whose emoluments exceed £60,000.

Pension contributions outstanding at the year-end amounted to £7,952 (2020: £5,942). The key management personnel of the Charity are considered to be Campus Director, Sr. Manager Instruction/Accreditation and Admissions/Administration Manager. Remuneration of these employees in aggregate in the year was £200,691 (2020: £191,088).

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

12. Tangible fixed assets

	Leasehold improvements £	Stones and metals £	Fixtures fittings & equipment £	Total £
Cost				
At 1 January 2021	260,461	220,300	303,893	784,654
Additions	-	125,024	1,073	126,097
At 31 December 2021	260,461	345,324	304,966	910,751
Depreciation				
At 1 January 2021	260,461	-	232,820	493,281
Charge for the year	-	-	9,548	9,548
At 31 December 2021	260,461	-	242,368	502,829
Net book value				
At 31 December 2021	-	345,324	62,598	407,922
At 31 December 2020	-	220,300	71,073	291,373

13. Debtors: amounts falling due within one year

	2021 £	2020 £
Prepayments	23,075	25,848
Accrued receivable from related party	29,817	-
Balance at 31 December	52,892	25,848

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Taxes and social security costs	17,406	18,064
Other creditors	27,015	28,639
Amount due to related party (interest free and repayable on demand)	149,376	20,631
Loans due to related party	610,496	293,062
Interest on loans due to related party	4,977	1,870
Accruals	115,550	18,641
Deferred income (Note 15)	388,451	248,843
	<u>1,313,271</u>	<u>629,750</u>

Loans due to related party are unsecured 12 month loans subject to 3.25% annual interest from the Gemological Institute of America, Inc.

15. Deferred income

	2021	2020
	£	£
Balance at 1 January	248,843	410,934
Fees received	978,876	533,719
Credited to income	(839,268)	(695,810)
	<u>388,451</u>	<u>248,843</u>

16. Analysis of net assets between funds

Fund balances at 31 December 2021 are represented by:

	Unrestricted funds	Restricted funds	Total
	£	£	£
Tangible fixed assets	407,922	-	407,922
Current assets	164,807	-	164,807
Creditors: amounts falling due within one year	(1,313,271)	-	(1,313,271)
	<u>(740,542)</u>	<u>-</u>	<u>(740,542)</u>

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

16. Analysis of net assets between funds (continued)

Fund balances at 31 December 2020 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	291,373	-	291,373
Current assets	109,907	4,182	114,089
Creditors: amounts falling due within one year	(629,750)	-	(629,750)
	<u>(228,470)</u>	<u>4,182</u>	<u>(224,288)</u>

17. Commitments under operating leases

The Company had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2021 £	2020 £
Leases which expire:		
Within one year	257,597	256,313
Between two and five years	172,276	429,873
Over five years	-	-
	<u>429,873</u>	<u>686,186</u>

18. Related parties

GIA England is affiliated with Gemological Institute of America, Inc. ("GIA US") headquartered in Carlsbad, California, USA. GIA England is in possession of certain items of gemological equipment and gemstone samples which are used to teach the courses. These are provided by Gemological Institute of America, Inc. and are on extended loan to GIA England. GIA England is also invoiced by Gemological Institute of America, Inc., for training support and the cost of books and equipment used to teach the classes which totalled £216,116 for the year (2020: £88,980).

On January 1, 2021 GIA England entered into agreement with the Gemological Institute of America, Inc. to provide certain administrative functions. The agreement effective as of January 1, 2021 shall be automatically renewed annually unless either party gives the other party a notice not to renew as per the conditions stated in the agreement. The Gemological Institute of America, Inc., is committed to pay the fee as specified per agreement, in 2021 the fee totalled £103,102 (2020: nil).

GIA England received unsecured twelve-month loans from Gemological Institute of America, Inc., in total of £317,434 for the year 2021 with an annual interest rate of 3.25% which resulted in interest expense of £16k. The loans were denominated in dollars \$425k USD for 2021 and translated to sterling which resulted in £16k unrealized foreign exchange loss for the year 2021. Comparatively GIA England received unsecured twelve-month loans from Gemological Institute of America, Inc., in total of £293,062 for the year 2020 with an annual interest rate of 3.25% which resulted in interest expense of £2k. The loans were denominated in dollars \$400k USD for 2020 and translated to sterling which resulted in £6k unrealized foreign exchange loss for the year 2020.

The balance due Gemological Institute of America, Inc., at the year-end was £764,849 (2020: £315,562) of which £610,496 (2020: £293,062) was for the principal on the loans, £4,997 (2020: £1,870) was for interest on loans, and £149,376 (2020: £20,630) was for other support costs/purchases.

The balance due from Gemological Institute of America, Inc., at the year end was £29,817 (2020: nil), related to the service fee.

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

19. Post balance sheet events

In February 2022 GIA England signed a further unsecured twelve-month loan agreement for additional funding from the Gemological Institute of America, Inc. in the amount of \$200,000 USD with an annual interest rate of 3.25%.

20. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total Funds 2020 £
Income				
<i>Income from charitable activities:</i>				
Operation of classes and distant education	2	695,810	-	695,810
Government grant for furlough	4	-	80,828	80,828
Investment income	3	188	4	192
Total income		695,998	80,832	776,830
Expenditure				
<i>Expenditure on charitable activities:</i>				
Operation of classes and distant education	5	1,136,581	82,828	1,219,409
Total expenditure		1,136,581	82,828	1,219,409
Net expenditure and net movement in funds for the year		(440,583)	(1,996)	(442,579)
Reconciliation of Funds				
Total Funds brought forward		212,113	6,178	218,291
Total Funds carried forward	16	(228,470)	4,182	(224,288)

GIA England

Notes to the Financial Statements For the year ended 31 December 2021

21. Movement on Funds

Year ended 31 December 2021	At 1 January 2021 £	Income £	Expenditure (including taxation) £	At 31 December 2021 £
Unrestricted funds:				
General fund	(228,470)	942,370	1,454,442	(740,542)
Unrestricted funds total	(228,470)	942,370	1,454,442	(740,542)
Restricted funds:				
Donor restricted fund	4,182	65,648	69,830	-
Restricted funds total	4,182	65,648	69,830	-
Total charity funds	(224,288)	1,008,018	1,524,272	(740,542)

Donor restricted fund is for the purpose of awards related to jewellery design competitions.

Year ended 31 December 2020	At 1 January 2020 £	Income £	Expenditure (including taxation) £	At 31 December 2020 £
Unrestricted funds:				
General fund	212,113	695,998	1,136,581	(228,470)
Unrestricted funds total	212,113	695,998	1,136,581	(228,470)
Restricted funds:				
Donor restricted fund	6,178	80,832	82,828	4,182
Restricted funds total	6,178	80,832	82,828	4,182
Total charity funds	218,291	776,830	1,219,409	(224,288)

Donor restricted fund is for the purpose of awards related to jewellery design competitions.

GIA ENGLAND

England & Wales - Charity number 1101116

Accounts

18 December 2020
Private & Confidential

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The Board of Trustees
GIA England
104 Great Russell Street
London
WC1B 3LA

Dear Trustees

Terms of Engagement as Auditors to GIA England

We are providing this letter to confirm that the basis on which we are to act as auditor GIA England for the year ending 31 December 2020 will continue to be that set out in our audit engagement letter dated 11 December 2018, together with the terms of business in Appendix 1 of that letter ("the Audit Engagement Letter") except for the changes set out below. The entire agreement between you and us in respect of the Services will comprise this letter and the Audit Engagement Letter.

Deloitte NSE

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited ("DTTL"). For the purpose of this Contract, "Deloitte Parties" means all entities that are members of DTTL worldwide network and each of their subsidiaries, predecessors, successors and assignees, and all partners, principals, members, owners, directors, employees and agents of all such entities. Deloitte LLP (which for these purposes includes reference to its subsidiaries) uses the word "partner" in respect of its members and certain of its senior employees in its dealings with you to describe, respectively, a member and senior employee of Deloitte LLP in their capacity as such. A list of members of Deloitte LLP is available at the Companies House website. Deloitte LLP gives a number of its employees the title of "director", which denotes that they are senior employees and not that they hold the office of director for the purposes of the Companies Act 2006.

Fees

The fee for the audit for the year ended 31 December 2020 will be £15,000 plus disbursements and VAT.

This fee estimate and our ability to meet your timetable is based on you meeting your responsibility to provide draft financial statements, detailed audit schedules and other specified information (the 'Schedules') in accordance with an appropriate timetable to be mutually agreed in writing. To the extent that the timing or extent of our work needs to change, you agree that you will pay us for any additional time incurred plus disbursements and VAT. This time will be billed at the following agreed hourly rates:

Grade	Rate (£)
Partner	480
Senior Manager	310
Assistant Manager	190

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Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Associate	115
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Respect & Inclusion Behaviours

In relation to the Engagement, we each agree to foster a culture and working environment where our people treat each other with respect, courtesy and fairness ("Respect & Inclusion Behaviours"). We are committed to encouraging and enabling conversations to address any behaviours that are not aligned with the Respect & Inclusion Behaviours. If an individual would like to raise a concern, they should discuss the matter within their respective organisations in the first instance, following which a conversation between the Deloitte partner and you will be held to address the matter. The parties will communicate the steps taken to resolve the matter and will notify each other of the agreed outcomes.

Agreement of terms

We should be grateful if, having considered the provisions of this letter and the Audit Engagement Letter (including appendices) and having concluded that they are reasonable in the context of all the factors relating to your statements and our proposed engagement, you would confirm acceptance of the terms of engagement by signing below and returning the enclosed copy of this letter.

Yours faithfully

Deloitte LLP

Deloitte LLP

Accepted on behalf of GIA England

Signature

Trustee's name

Date