

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 Legalinx 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

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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.

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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

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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

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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

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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.

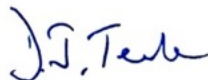
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Balance Sheet At 31 December 2021

	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	<u>(1,313,271)</u>		<u>(629,750)</u>	
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		<u>(740,542)</u>		<u>(228,470)</u>
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
	<hr/>	<hr/>
Total income from charitable activities	839,268	695,810
	<hr/> <hr/>	<hr/> <hr/>

3. Investment income

	2021 £	2020 £
Interest receivable	-	192
	<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Total charges by the Auditor	18,000	18,000
Legal and professional fees of solicitors, consultants and other advisors	13,861	29,366
	<hr/>	<hr/>
Total legal and professional fees	31,861	47,366
	<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	260,461	345,324	304,966	910,751
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2021	260,461	-	232,820	493,281
Charge for the year	-	-	9,548	9,548
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	260,461	-	242,368	502,829
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2021	-	345,324	62,598	407,922
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	220,300	71,073	291,373
	<hr/>	<hr/>	<hr/>	<hr/>

13. Debtors: amounts falling due within one year

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

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	-	-

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		<u>695,998</u>	<u>80,832</u>	<u>776,830</u>
Expenditure				
<i>Expenditure on charitable activities:</i>				
Operation of classes and distant education	5	<u>1,136,581</u>	<u>82,828</u>	<u>1,219,409</u>
Total expenditure		<u>1,136,581</u>	<u>82,828</u>	<u>1,219,409</u>
Net expenditure and net movement in funds for the year		(440,583)	(1,996)	(442,579)
Reconciliation of Funds				
Total Funds brought forward		<u>212,113</u>	<u>6,178</u>	<u>218,291</u>
Total Funds carried forward	16	<u><u>(228,470)</u></u>	<u><u>4,182</u></u>	<u><u>(224,288)</u></u>

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.