

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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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

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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.

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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 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.

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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.

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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

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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.

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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

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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.

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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.

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Balance Sheet At 31 December 2023

			2023	2022
	Note	£	£	£
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	<u>(1,996,561)</u>		<u>(1,987,712)</u>
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

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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

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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
	<hr/>	<hr/>
Total income from charitable activities	1,583,435	1,190,977
	<hr/> <hr/>	<hr/> <hr/>

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)
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Total charges by the Auditor	26,000	22,400
Legal and professional fees of solicitors, consultants and other advisors	33,331	15,070
	<hr/>	<hr/>
Total legal and professional fees	59,331	37,470
	<hr/> <hr/>	<hr/> <hr/>

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.