

**NORTHERN LEARNING TRUST**  
(a company limited by guarantee)

**Trustees Annual Report  
and  
Financial Statements  
for the  
Year Ended 31 March 2021**

**Charity No: 1120330**

**Company No: 06316736**



## NORTHERN LEARNING TRUST

<b>Contents</b>	<b>Page</b>
Legal and Administrative Information	2
Report of the Trustees	3-10
Independent examiner's report to the Trustees	11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes forming part of the Financial Statements	15-26

**NORTHERN LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE PERIOD ENDED 31 MARCH 2021**

**Legal and Administrative Information**

The Directors of the charitable company (the charity) are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

Charity Number: 1120330

Company Number: 06316736

Principal Office: Cheviot House  
Beaminster Way East  
Newcastle upon Tyne  
NE3 2ER  
[www.northernlearningtrust.org.uk](http://www.northernlearningtrust.org.uk)

Trustees: Anthony Brown Chair  
Ann Wynn Vice Chair  
Michael Ranson Treasurer  
Roy Alexander (appointed 22 April 2021)  
Barrie Cooper (resigned 21 January 2021)  
Anne Delandre (appointed 22 April 2021)  
Kathleen Gallagher (resigned 21 January 2021)  
Victor Ottaway (resigned 16 July 2020)  
Dr Tebabu Wubetu (appointed 24 November 2020)

Secretary: Liz Sheerin

Key management personnel: Gill Smith Chief Executive  
Liz Sheerin Business Manager  
Ian Robson Operations Manager

Bankers: Lloyds Bank PLC  
102 Grey Street  
Newcastle upon Tyne  
NE1 6AG

Accountants: MHA Tait Walker  
Chartered Accountants  
Bulman House, Regent Centre  
Newcastle upon Tyne  
NE3 3LS

Solicitors: Ward Hadaway  
Sandgate House,  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

Investment Advisors: UBS Wealth Management (UK) Ltd  
2 St James' Gate  
Newcastle upon Tyne  
NE4 7JH

**NORTHERN LEARNING TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE PERIOD ENDED 31 MARCH 2021**

## **1. Aims and Objectives**

### **1.1 Purpose and Aims**

The purpose of the Trust as set out in the objects contained in the company's Memorandum and Articles of Association is to:

- advance learning including literacy, numeracy and communication skills across the North East of England.

The Trust has the aim of contributing to the quality of life of the people across the North East by increasing skills, confidence and self-esteem through a range of supportive and personalised programmes. These include Functional Skills, Employability Skills, ESOL, Alternative Education, programmes for those Not in Education, Employment or Training (NEETS), Family Learning and Parenting, Mentoring and first step engagement activities.

The unique selling point of the Trust is the ability of staff to engage, motivate and retain the hardest to reach individuals, by delivering unique, flexible programmes of learning and enterprise in the heart of our communities in the North East. The Trust aims to improve skill levels of residents and additionally give them confidence to:

- seek further education, training, employment and enterprise;
- support their children's learning;
- support their communities in learning.

### **1.2 Ensuring the Work Delivers Our Aims**

The Trust reviews its aims, objectives and activities each year and updates both the Business and Delivery Plans to reflect the decisions taken. The review looks at achievements and outcomes of the work over the previous 12 months. Additionally, it looks at the success of each key activity and the benefits brought to the groups of people the Trust was set up to help. It also helps us ensure the aim, objectives and activities remain focussed on the stated purpose. The Trustees have taken account of the guidance contained in the Charity Commission's guidance on Public Benefit when reviewing our aims and objectives, and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives.

### **1.3 The Focus of Our Work**

The main objectives for the year were to continue to develop and deliver services which meet the needs of our service users and stakeholders and to explore opportunities to grow and develop our provision.

Key areas of work included:

- maintenance and development of our Learning Hive™ work across the region;
- exploring new opportunities for partnership working within housing and other services;
- developing our specialist mentoring services;
- delivering our Family and Community Learning offering;
- expanding our skills services for Veterans and ex-offenders;
- developing education, training and employability support for offenders serving community sentences;
- providing one to one support for young people disengaged from mainstream education.

Despite the challenges presented by Covid 19 and the need to adhere to social distancing and lockdown regulations, we have successfully continued to support our learners and service users.

### **Adult and Community Services**

We established a new Learning Hive™ in County Durham and continued to deliver our Learning Hive™ services in Northumberland and Newcastle, in partnership with a number of social housing providers in the North East.

We continued to deliver our Adult and Community Learning service in South Tyneside, adapting to online and distance learning when Covid restrictions prevented face to face delivery.

**Children and Young People Services** - personalised learning programmes for young people aged 11-19 not in education or at risk of disengaging from education. Delivery was initially changed to an online and distance learning model due to Covid 19 lockdown and social distancing requirements but suspended from January 2021.

### **Criminal Justice Services**

Our Veteran Mentoring Support project, part of the Transforming Rehabilitation initiative, and our Reaching Out mentoring service for offenders moving on from the Criminal Justice System have been delivered using an online/remote model during Covid restrictions.

### **Mentoring Services**

Our Veterans' Cycle Club supports those with mental and physical health issues and helps prevent isolation in armed forces veterans. The Women's Snugs mentoring project provides a safe space and support for women offenders to form supportive relationships and avoid further offending. Both projects were paused during the year due to Covid but delivery has now resumed.

## **1.4 How Our Activities Deliver Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set out in order to provide a clear and demonstrable public benefit.

All our charitable activities focus on increasing the learning and skills levels of individuals thereby providing skills, confidence and self-esteem enabling them to improve their quality of life. By providing these activities they further our charitable purpose for the public benefit.

## **1.5 Who Used and Benefitted from Our Services?**

The objects of the Trust and the funding we receive limits the area in which we are able to provide services to the North East of England.

Although economic performance has improved in the past few years the North East economy continues to lag behind the national averages, particularly in employment, skills and earnings. Significant gaps in terms of education, achievement and employment continue to exist between different areas and the challenge is to achieve active and resilient communities in a sustainable economy.

Because participation (the number of people of working age in employment) is below the national average, the North East Local Enterprise Strategic Economic Plan identifies that in order to deliver greater prosperity for the people of North East England it will be necessary to:

- assist people to take up education, training and employment opportunities;
- provide support to those most distant from the labour market, where necessary assisting people to overcome disadvantage and poverty;
- tailor support to meet the specific needs and circumstances of individuals through targeted intensive support and mentoring.

The funding we receive is targeted at families and individuals with low level skills, low confidence and low aspiration. Most of our work is in the most deprived areas with the highest level of need. All services are provided free of charge to learners. Further information about who benefits directly from our services is explained in the analysis of achievements and performance.

## **1.6 Fundraising**

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

## **2. Achievements**

The main areas of charitable activity are the provision of a range of bespoke programmes and sessions offering skills development and mentoring to those individuals who have the lowest levels of skills and confidence, and who are least likely to seek support from the more formal statutory agencies. In 2020 – 2021, Covid 19 and its associated restrictions severely impacted our ability to engage and support our beneficiaries, resulting in reduced numbers of learners and service users benefitting from our support. During this year we supported approximately 500 people to improve their functional and digital skills, develop employability skills, support their child's learning and development and achieve qualifications to support their progress towards employment and financial stability. This is around 50% of our usual number of beneficiaries.

These activities and the achievements are described below.

### **2.1 Adult and Community Services**

#### **Learning Hives™**

A Learning Hive™ is a partnership with social housing providers targeting hard to reach neighbourhoods with high levels of inactivity, unemployment and low levels of social capital. From agreed community venues (such as a vacant residential property), specialist Community Engagement Tutors work with tenants to develop new skills for learning and working in their neighbourhoods. At the end of this reporting period eight Learning Hives™ were maintained, including the new Learning Hive™ in Durham with funding from the Durham L!NKCD project and Bernicia Housing. Our Learning Hives™ supported over 300 beneficiaries this year. We have secured funding to maintain all of the Learning Hives™ until at least 2022 through the European Social Fund as part of the 2014 – 2020 European Structural and Investment Fund for Growth in England.

We deliver the Learning Hives™ through the Bridge Project and the North of Tyne Working Homes projects in Northumberland, the North of Tyne CLLD-Newcastle Hives™ project in Newcastle and the L!NKCD project in County Durham, providing support with employability skills, literacy and numeracy for those furthest away from the jobs market. The Bridge project is funded via the European Social Fund and the National Lottery Community Fund.

#### **Family Learning**

The Trust continued to successfully deliver adult and community learning programmes in South Tyneside. These services were re-commissioned in August 2020. We developed a successful blended delivery model utilising on-line and distance learning methods to deliver this provision.

### **2.2 Children and Young People Services**

#### **Special Education Needs**

We have continued to offer one-to-one support for young people in Newcastle who are not attending school for a variety of reasons. However, take up for the service has been reduced due to Covid restrictions.

## **2.3 Criminal Justice Services**

### **Veterans mentoring support**

The Trust continued to deliver support for Armed Forces Veterans within the criminal justice system who require support to resettle into their communities and progress towards employment. Our contract with Sodexo under Transforming Rehabilitation, ending in June 2021, has helped us to engage with over 60 veterans each year and help them access support with finances, addiction, mental health issues and finding employment. Again due to Covid we moved to blended model of support for this cohort which has proven very successful.

## **2.4 Mentoring Services**

### **Reaching Out Project**

With funding from Lloyds Bank Foundation, we continued to recruit and train volunteer mentors to work with ex-offenders in Tyne & Wear. A further fifteen mentors were recruited and trained and went on to support another 30 individuals giving a total of over 180 mentees supported in the duration of this project. This project ended in April 2021.

### **Women's Snugs Project**

The full roll-out of our Women's Snugs Project, mentoring and supporting female ex-offenders, was unfortunately delayed due to Covid, but delivery has now resumed.

### **Veterans' Cycle Club**

As with the Women's Snugs, our ability to deliver a full service on this project has been impacted due to Covid restrictions; the project has now restarted.

## **3. Consultancy, Research and Training**

The Trust continues to offer consultancy, training and research services to other organisations.

## **4. Financial Review**

During the year we have secured additional grants, contracts and donations to achieve strong growth in income of 15% from last year. To continue to deliver our services we have employed additional tutors, leading to staff costs increasing by 18% in the same period, and costs overall increasing by 12%. We report a net surplus of £143,042, including an increase of £57,524 in the value of Investments. The increase in reserves is highlighted in our accounts for the year. The impact of Covid-19 lockdowns and isolating measures during the year have had less impact on our operating results than might have been feared as we have largely been able to continue to deliver our services remotely via telephone, email and other internet methods. In fact we secured some Covid related grant funding to enable us to deliver additional services and were grateful to be able to claim HMRC furlough grant for those staff working on services that could not be delivered remotely. These two grants amounted to £33,061.

We expect funding levels to reduce in 2021/22 due to a number of contracts ending during the year. However extensions to our EU funded projects are being sought by our commissioners and we are hopeful that we will be able to continue to deliver most of our services into 2022/23. We are continuing to update our business plan, and will continue to invest and develop new relationships, markets and innovative programmes to ensure the future sustainability of the organisation.

Trustees and managers continue to review and regularly monitor progress against the business and delivery plans.

## **5. Principal Funding Sources**

The Trustees are grateful to the following for funding the work of the Trust during the period:

- Bernicia
- Catherine Cookson Charitable Trust
- Durham County Council
- Education Development Trust
- European Social Fund
- European Structural & Investment Funds
- Garfield Weston
- Gilchrist Educational Trust
- Good Things Foundation
- H Robins Charitable Trust
- Lloyds Bank Foundation
- National Lottery Community Fund
- Newcastle City Council
- Northumberland Community Chest
- Northumberland County Council Housing
- Operation Veteran
- Sir James Knott Trust
- Sodexo
- South Tyneside Council
- Swire Charitable Trust
- Tyne & Wear Community Foundation
- Veterans Foundation
- Your Homes Newcastle

Their support has been essential in allowing the Trust to continue to deliver services across the North East.

## **6. Investment Policy**

The strategic aims and development of the Trust specify that the Trustees should ensure the best use of reserves over the long term showing due diligence and an agreed level of risk averseness. The Trustees have adopted a policy of investing a proportion of reserves with UBS Wealth Management Ltd. The investment objective is to create a balance between capital growth and income, which over the long term aims to maintain the real value of the assets. This Investment Policy is kept under regular review.

## **7. Pay Policy for Key Management Personnel**

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charitable company are, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charitable company on a day to day basis.

The pay of the KMP is reviewed annually. The Trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charitable company can afford any proposed increases. The Board of Trustees then consider any uplift to remuneration.

## **8. Reserves Policy and Going Concern**

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The Trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated or restricted for a purpose. This is before the designation of a Future Cost Reserve of £58,720 (2020: £55,219) and a Match Fund Reserve of £20,695 (2020: £nil), narrative for which can be found in note 14 to the financial statements. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. Resulting from this, the trustees consider it appropriate to identify a requirement for free reserves equivalent to four months' operating costs, which equates to a range of £160,000 to £190,000.



At the year end, free reserves were £116,175 (2020: £63,526) an improvement of £52,649 in the year.

The trustees recognise that the charity will need to generate surpluses in order to maintain their target level of free reserves. The need for the charity's services continues to grow and therefore the demand on future reserves will also be greater, hence the charity continues to require future funding towards its unrestricted reserves and the support of its funding partners.

The Trustees have prepared a budget and cash flow forecast and have concluded that the charity continues to be a going concern for the foreseeable future. On that basis they have continued to adopt the going concern basis when preparing the financial statements.

## **9. Plans for Future Periods**

We will continue to work to build relationships with current and potential new partners and explore new markets to develop and deliver services.

The Trust will focus on the following areas:

- continue to maintain and develop new Learning Hives™ across the region;
- explore new opportunities for partnership working within housing and other services;
- develop and expand the reach of our specialist mentoring services;
- market and deliver our Family and Community Learning offering;
- expand our services for Veterans and ex-offenders;
- continue to provide one to one support for young people disengaged from mainstream education.

## **10. Structure, Governance and Management**

### **10.1 Governing Document**

Northern Learning Trust is a charitable company limited by guarantee. It was registered as a charity on 24 February 1999 and incorporated on 18 July 2007. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount of £1.00.

### **10.2 Appointment of Trustees**

As set out in the Memorandum and Articles of Association the Board shall consist of no more than 12 Trustees and no less than 3. At each Annual General Meeting a quarter of the Trustees retire from office, the longest serving retiring by rotation. A retiring Trustee is eligible for re-election. No Trustee may serve more than 8 years without at least a 1 year break unless they are unanimously requested to do so by members.

Mr Victor Ottoway, Mrs Kathleen Gallagher and Mr Barrie Cooper retired from the Board of Trustees.

The Trust appointed three new trustees – Dr Tebabu Wubetu, Mrs Ann Delandre and Mr Roy Alexander. The new Trustees have expertise in wellbeing, housing and education.

When considering the appointment of new Trustees the Board has regard to specialist or professional skills of the existing Trustees and any requirement for additional skills. In the event of any particular skills being lost through retirement or resignation, suitable individuals are recruited through an advertisement and selection process for appointment to the Board.

All Trustees give their time voluntarily and received no benefits from the charity. No Trustees claimed expenses during the year.

### **10.3 Trustee Induction and Training**

New Trustees are invited to meet with the Chair and Chief Executive to familiarise themselves with the Trust and the context in which it operates. This covers:

- the obligations of Trustees;
- the main documents which set out the operational framework for the Trust;
- resourcing and the current financial position;
- future plans and objectives;
- risks facing the Trust.

Trustees also receive an induction pack of internal information together with publications from the Charity Commission. The Chief Executive organises opportunities for the Trustees to become familiar with the work of the Trust by visiting the different projects and meeting the staff. Trustees are also invited to attend issue specific focus groups or projects.

### **10.4 Organisation**

The Board of Trustees has responsibility for the strategic direction and policy of the charity. It meets quarterly and when necessary working groups are constituted.

The Chief Executive is appointed by the Trustees to manage the day to day operations. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of delegation approved by the Trustees, for operational matters including finance, employment and service delivery.

### **10.5 Risk Management**

The Trustees have a risk management strategy that comprises:

- monitoring the strategic, business and operational risks the charity may face, including safeguarding and Health & Safety, with Key Risks documented in an organisational Risk Register that is reviewed regularly;
- the establishment of systems and procedures to mitigate identified risks;
- the implementation of systems and procedures designed to minimise any potential impact on the Trust should they materialise.

Every 3 years the organisation undertakes a strategic review. Each year the organisation produces updated Business and Action Plans which are fully consulted with Trustees, management and staff teams. They are very much working documents which recognise the need for diversification, development and expansion of the Trust's core business. A key element in the management of financial risk is the setting of a Reserves Policy and its regular review by Trustees and the managed investment of its reserves.

### **10.6 Going Concern**

The Trustees recognise that Northern Learning Trust is currently dependent on income from a variety of sources in order to sustain its activities.

As this report was prepared, the world was still suffering the COVID-19 pandemic. Head Office and the Learning Hives™ are open only on an appointment basis and restrictions will remain until restrictions are lifted. The Trustees have considered the impact these restrictions will have on the financial sustainability of the charity. The majority of staff continue some working from home and one part time staff member remains furloughed. For as long as is necessary, the Trustees will apply for whatever Government assistance is available to assist with paying salaries and generally in terms of grants for small businesses.

The Trustees have prepared a budget and cashflow forecast and have concluded that the charity continues to be a going concern for the foreseeable future. On that basis they have continued to adopt the going concern basis when preparing the financial statements.

## 10.7 Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Northern Learning Trust 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).

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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure the financial statements comply with the Companies Act 2006. The Trustees 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.

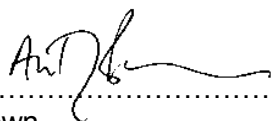
## 10.8 Independent Examiner

Simon Brown BA ACA DChA has been re-appointed as independent examiner for the ensuing year.

## 10.9 Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on 6 July 2021 and signed on its behalf by:

  
.....  
A Brown  
Chair

Date..... 6.7.21

## NORTHERN LEARNING TRUST

### INDEPENDENT EXAMINER'S REPORT TO THE COMPANY'S MEMBERS

I report to the charity Trustees on my examination of the accounts of the Charitable Company for the year ended 31 March 2021.

#### Responsibilities and basis of report

As the charity's trustees of the Charitable Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

#### Independent examiner's statement

Since the Charitable Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW) which is one of the listed bodies.

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

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

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



Simon Brown BA ACA DChA  
MHA Tait Walker  
Chartered Accountant  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date..... 8/7/2021 .....

MHA Tait Walker is a trading name of Tait Walker LLP

# NORTHERN LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Restricted 2021	Unrestricted 2021	Year to 31.03.21 Total £	Year to 31.03.20 Total £
<b>Income from:</b>					
Donations and grants	2	41,615	20,299	61,914	67,182
Other grants	2	-	33,061	33,061	-
<b>Donations and Grants</b>		<b>41,615</b>	<b>53,360</b>	<b>94,975</b>	<b>67,182</b>
Charitable activities	3	273,116	194,760	467,876	422,417
Investments	4	-	4,746	4,746	4,214
<b>Total Income</b>		<b>314,731</b>	<b>252,866</b>	<b>567,597</b>	<b>493,813</b>
<b>Expenditure</b>					
Charitable activities	5	286,412	195,667	482,079	430,609
<b>Total Expenditure</b>		<b>286,412</b>	<b>195,667</b>	<b>482,079</b>	<b>430,609</b>
<b>Net income/(expenditure)</b>		<b>28,319</b>	<b>57,199</b>	<b>85,518</b>	<b>63,204</b>
<b>Other recognised gains/(losses):</b>					
Profit/(loss) on revaluation of investments	9	-	57,524	57,524	(28,293)
<b>Net income/(expenditure) before transfers</b>		<b>28,319</b>	<b>114,723</b>	<b>143,042</b>	<b>34,911</b>
Transfers between funds	13	-	-	-	-
<b>Net movement in funds</b>		<b>28,319</b>	<b>114,723</b>	<b>143,042</b>	<b>34,911</b>
<b>Reconciliation of Funds:</b>					
Total funds brought forward		29,607	337,118	366,725	331,814
<b>Total funds carried forward</b>		<b>57,926</b>	<b>451,841</b>	<b>509,767</b>	<b>366,725</b>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**NORTHERN LEARNING TRUST**  
Company Registration Number: 06316736

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Notes	31.03.21	31.03.20
		£	£
<b>Fixed Assets</b>			
Tangible assets	8	312	509
Investments	9	335,353	273,083
		<u>335,665</u>	<u>273,592</u>
<b>Current Assets</b>			
Debtors	10	115,298	103,710
Cash at bank and in hand		118,908	81,535
		<u>234,206</u>	<u>185,245</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(60,104)</u>	<u>(92,112)</u>
<b>Net Current Assets</b>		<u>174,102</u>	<u>93,133</u>
<b>NET ASSETS</b>	12	<u><b>509,767</b></u>	<u><b>366,725</b></u>
<b>Funds of the Charity</b>			
Designated funds	14	79,415	55,219
Revaluation funds	14	58,379	855
General funds	14	314,046	281,044
		<u>451,841</u>	<u>337,118</u>
Total unrestricted funds	13+14	451,841	337,118
Restricted funds		<u>57,926</u>	<u>29,607</u>
<b>TOTAL</b>	13	<u><b>509,767</b></u>	<u><b>366,725</b></u>

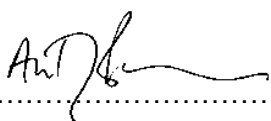
For the year ending 31st March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the Directors and signed on their behalf by:

  
.....

Date.....6.7.21.....

**A Brown, Chair and Director**

**NORTHERN LEARNING TRUST**  
**Company Registration Number: 06316736**

**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	31.03.21	31.03.20
		£	£
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities		<u>85,518</u>	<u>63,204</u>
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		197	385
Investment income	4	(4,746)	(4,214)
Investment Charge levied in Portfolio		<u>-</u>	<u>680</u>
		80,969	60,055
<b>Working capital adjustments</b>			
Increase in debtors	10	(11,588)	(41,491)
(Decrease)/increase in creditors	11	<u>(32,008)</u>	<u>8,089</u>
Net cash flows from operating activities		<u>37,373</u>	<u>26,653</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	8	-	(592)
Investment income received	4	4,746	4,214
Purchase of investments	9	<u>(4,746)</u>	<u>(4,214)</u>
Net cash flows from investing activities		<u>-</u>	<u>(592)</u>
Net increase in cash and cash equivalents		37,373	26,061
<b>Cash and cash equivalents at 1 April</b>		<u>81,535</u>	<u>55,474</u>
<b>Cash and cash equivalents at 31 March</b>		<u>118,908</u>	<u>81,535</u>

## **NORTHERN LEARNING TRUST**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **1. ACCOUNTING POLICIES**

##### **1.1 General Information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Northern Learning Trust, Cheviot House, Beaminster Way East, Kingston Park, Newcastle upon Tyne, NE3 2ER.

##### **1.2 Accounting Basis**

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

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value.

The functional currency of the charity is Sterling.

##### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. In accordance with the Charities SORP (FRS 102) the charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102, in full to all of its financial instruments.

##### **1.3 Preparation of the accounts on a going concern basis**

After a reduction in income in previous years, the Trust's sources of income have become more stable. The Trustees have prepared a budget and cashflow forecast and have concluded that, even with the potential impact of COVID-19, the charity continues to be a going concern for the foreseeable future. Therefore, the Trustees are of the view that the charitable company has sufficient resources to maintain its activities for at least the next 12 months (from the date of approving the financial statements). As a result the charitable company's financial statements have been prepared on a going concern basis.

##### **1.4 Income**

Income includes amounts received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided).

Donations and grant income is recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

In the event that a donation or grant is subject to conditions that require a level of performance before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is likely that those conditions will be fulfilled in the reporting period.



## **1.5 Investment income**

Income from investments is included in incoming resources once the dividend is declared and notification has been received of the dividend due. This is normally upon receiving notification by our investment advisor of the dividend.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

## **1.6 Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. Note 5 contains further information on the basis for allocation.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

## **1.7 Allocation of support and governance costs**

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include costs related to the statutory audit and other costs with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned as set out in Note 5.

## **1.8 Realised and unrealised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

## **1.9 Pension**

The charitable company makes employer contributions to a defined contribution pension scheme on behalf of its employees. Contributions are included as part of staff costs within support and governance costs and allocated to the funds of the charitable company on the basis outlined in Note 5.

## **1.10 Fund Accounting**

Restricted funds are maintained in accordance with the restrictions placed upon monies received from the donor.

Unrestricted funds are the free funds of the charitable company to use at the discretion of the Trustees in the furtherance of the charitable company's objectives. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

### **1.11 Tangible Fixed Assets**

All fixed assets are initially recorded at cost. Items under £500 in value are not capitalised.

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

Office Equipment - 3 years straight line basis

The carrying values of tangible fixed assets are reviewed for impairment periodically if events or changes in circumstances indicate the carrying value may not be recoverable.

### **1.12 Investments**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investments are split between fixed and current assets on the basis of a review by the Trustees of cash requirements over the coming year.

The charitable company does not acquire or use put options, derivatives or other complex financial instruments.

### **1.13 Debtors**

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

### **1.14 Cash at bank and in hand**

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

### **1.15 Creditors and provisions**

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **1.16 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### **1.17 Operating Leases**

Rentals payable under operating leases are charged in the income and expenditure account on a straight line basis over the lease term.

### **1.18 Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the year, no key judgements or estimates have been made within the financial statements.

## 2. DONATIONS AND GRANTS

	Restricted	Unrestricted	Year to 31.03.21 Total	Year to 31.03.20 Total
	£	£	£	£
Education Endowment-H Robins	-	20,000	20,000	20,000
Garfield Weston	10,000	-	10,000	10,000
Joicey Trust	-	-	-	3,500
Shears Foundation	-	-	-	5,000
Awards for All – Veterans Cycle Project	-	-	-	9,600
Veterans Foundation	6,560	-	6,560	6,560
Operation Veteran	282	-	282	-
Swire Charitable Trust	3,400	-	3,400	3,400
Sir James Knott Trust	932	-	932	-
Catherine Cookson Charitable Trust	250	-	250	-
Gilchrist Educational Trust	932	-	932	-
Bernicia Community Fund	-	-	-	570
RW Mann	-	-	-	270
Barbour Foundation	-	-	-	350
Rothley Trust	-	-	-	300
William Leech	-	-	-	500
Co-op Community Fund	-	-	-	480
Community Foundation-EDF Comm Fund	7,094	-	7,094	1,419
YHN Community Fund – Women's Snug	2,500	-	2,500	2,500
Hadrian Trust	-	-	-	500
Access2Advice	-	-	-	600
Northumberland Community Chest	9,665	-	9,665	-
Great North Run sponsorship	-	-	-	1,022
Sundry donations	-	299	299	611
	<u>41,615</u>	<u>20,299</u>	<u>61,914</u>	<u>67,182</u>
<b>Other Grants</b>				
HMRC Job Retention Scheme Grants	-	21,727	21,727	-
Covid Business Grants	-	11,334	11,334	-
	<u>41,615</u>	<u>53,360</u>	<u>94,975</u>	<u>67,182</u>
For the year ended 31 March 2020	<u>44,949</u>	<u>22,233</u>		

### 3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted	Unrestricted	Year to 31.03.21 Total	Year to 31.03.20 Total
	£	£	£	£
Lloyds Bank Foundation	32,486	-	32,486	22,747
Newcastle City Council	-	6,383	6,383	10,448
South Tyneside Council	-	13,352	13,352	18,867
North of Tyne CLLD funded by ESIF	-	31,644	31,644	58,931
Your Homes Newcastle-Newcastle Learning Hives™	25,000	-	25,000	24,603
Bridge Project funded by ESF and National Lottery Community Fund	130,598	-	130,598	109,928
Good Things Foundation	-	6,468	6,468	-
Education Development Trust	-	3,671	3,671	12,590
North of Tyne Working Homes funded by ESF	-	80,025	80,025	65,227
Bernicia – Northumberland Learning Hives™	53,326	-	53,326	44,231
Northumberland County Council Housing	21,329	-	21,329	16,486
Durham County Council LINKCD	-	16,551	16,551	-
Bernicia – LINKCD Project	10,377	-	10,377	-
Sodexo - Transforming Rehabilitation	-	35,316	35,316	35,316
Voices Northumberland	-	-	-	3,043
Tyneside Womens Health	-	1,350	1,350	-
	<u>273,116</u>	<u>194,760</u>	<u>467,876</u>	<u>422,417</u>
For the year ended 31 March 2020	<u>217,995</u>	<u>204,422</u>		

### 4. INVESTMENT INCOME

	Restricted	Unrestricted	Year to 31.03.21 Total	Year to 31.03.20 Total
	£	£	£	£
Cash investments held in the UK	-	-	-	1
Dividends	-	4,746	4,746	4,213
	<u>-</u>	<u>4,746</u>	<u>4,746</u>	<u>4,214</u>
For the year ended 31 March 2020	<u>-</u>	<u>4,214</u>		

## 5. CHARITABLE ACTIVITIES

	Restricted provision of services £	Unrestricted provision of services £	Unrestricted Governance £	Year to 31.03.21 Total £	Year to 31.03.20 Total £
<b>Costs directly allocated to activities</b>					
Staff costs	231,079	162,093	-	393,172	324,273
Supplies/Resources	26,872	3,645	-	30,517	27,403
Recruitment	484	243	-	727	2,050
Travel	372	167	-	539	4,530
Volunteers	90	-	-	90	2,433
Depreciation	-	197	-	197	385
	<u>258,897</u>	<u>166,345</u>	<u>-</u>	<u>425,242</u>	<u>361,074</u>
<b>Support costs apportioned to activities</b>					
Premises	10,445	5,165	441	16,051	21,738
Staff costs	12,198	1,219	12,209	25,626	31,658
Resources	549	5,036	157	5,742	6,629
Communications	4,323	1,975	178	6,476	6,011
Accountancy and other services	-	-	2,830	2,830	2,750
Legal and Professional	-	-	112	112	749
	<u>286,412</u>	<u>179,740</u>	<u>15,927</u>	<u>482,079</u>	<u>430,609</u>
For the year ended 31 March 2020	<u>236,244</u>	<u>179,816</u>	<u>14,549</u>		

### Analysis of Governance & Support Costs

The charitable company allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. The basis for apportionment and the analysis of support and governance costs is set out as follows:

- Direct to governance: Accountancy Fees, bank charges and legal & professional fees.
- Direct to charitable activities: Monthly meeting costs.

Other expenses have been apportioned using a 97:3 split, which approximately equates to staff time spent on governance activities.

## 6. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging

	Year to 31.03.21 Total £	Year to 31.03.20 Total £
Depreciation	197	385
Accountancy fees	<u>2,830</u>	<u>2,750</u>

## 7. STAFF COSTS AND NUMBERS

	Year to 31.03.21 Total £	Year to 31.03.20 Total £
<b>Staff costs comprise:</b>		
Salaries	380,797	325,146
Social Security costs	21,218	17,469
Pension	<u>16,783</u>	<u>13,316</u>
	<u>418,798</u>	<u>355,931</u>

**The average number of persons (expressed as Full Time Equivalents) employed by the Trust was as follows:**

Chief Executive	1	1
Charitable activities	12	10
Administration and support	<u>2</u>	<u>2</u>
	<u>15</u>	<u>13</u>

### **Analysis of staff costs, trustee remuneration & expenses, cost of key management personnel and related party transactions**

None of the directors/trustees of the charitable company received remuneration or expenses.

The key management personnel of the charitable company, comprise the Trustees, the Chief Executive, Business Manager and an Operations Manager. The total employee benefits of the key management personnel of the charitable company were £89,694 (2020: £88,368).

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period.

None of the employees received benefits exceeding £60,000 in the year (2020: Nil)

## 8. FIXED ASSETS

	Office Equipment £
<b>Cost</b>	
At 1 April 2020	7,667
Additions in the year	-
Disposals	(708)
At 31 March 2021	<u>6,959</u>
<b>Depreciation</b>	
At 1 April 2020	7,158
Charge for the year	197
Eliminated on disposals	(708)
At 31 March 2020	<u>6,647</u>
<b>Net Book Value</b>	
At 31 March 2021	<u>312</u>
<b>Net Book Value</b>	
At 31 March 2020	<u>509</u>

## 9. INVESTMENTS

	At 31.03.21 Total £	At 31.03.20 Total £
Investment in subsidiary	1	1
Other investments (at market value)	335,241	272,971
Cash held for reinvestment	111	111
	<u>335,353</u>	<u>273,083</u>
<b>Reconciliation of other investments:</b>		
Investment value at 1 April 2020		272,971
Additions: Income reinvested		4,746
Net profit on revaluation		57,524
Investments value at 31 March 2021		<u>335,241</u>

All investments shown above are held at market valuation.

### Analysis of other investments at market value:

	At 31.03.21 Total £	At 31.03.20 Total £
Asset Allocation Funds	<u>335,241</u>	<u>272,971</u>

The historical cost of other investments at 31 March 2021 was £276,862 (£272,116 at 31 March 2020).

The investment of £1 represents 100% shareholding in NLT Learning Ltd. The results of this company have not been consolidated into these financial statements due to their immaterial nature.

	Year to 31.03.21 Total £	Year to 31.03.20 Total £
Profit for the year	-	-
Capital and Reserves	31	31

#### 10. DEBTORS

	At 31.03.21 Total £	At 31.03.20 Total £
Trade debtors – contract income receivable	111,876	101,523
Other debtors and prepayments	3,422	2,187
	115,298	103,710

#### 11. CREDITORS: amounts falling due within one year

	At 31.03.21 Total £	At 31.03.20 Total £
Taxation and social security	6,379	6,685
Other creditors and accruals	16,505	17,074
Deferred income	37,189	68,322
Owed to subsidiary company	31	31
	60,104	92,112

#### Reconciliation of deferred income:

Deferred income at 1 April 2020	68,322
Received	55,331
Utilised	(86,464)
Deferred income at 31 March 2021	37,189

#### 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	312	-	-	312
Investments	255,938	79,415	-	335,353
Net Current Assets	116,176	-	57,926	174,102
Net assets at 31 March 2021	372,426	79,415	57,926	509,767

General Funds includes the Revaluation Fund. The Revaluation Fund represents the uplift in the market value of Fixed Asset Investments over historic cost.



### 13. ANALYSIS OF FUND MOVEMENTS

	At 01.04.20	Incoming	Outgoing	Transfers & Other Gains	At 31.03.21
	£	£	£	£	£
Restricted Funds:					
Garfield Weston	10,000	10,000	169	-	19,831
Veterans Cycle Project	6,943	10,242	9,294	-	7,891
Bernicia Community Fund	614	-	-	-	614
Learning Hives™ Support Fund	1,267	-	300	-	967
Community Foundation-Windfarms	295	7,094	7,389	-	-
Tutor Teaching resources fund	-	2,114	907	-	1,207
YHN Community Fund	931	2,500	1,387	-	2,044
Northumberland Community Chest	-	9,665	7,761	-	1,904
Newbiggin Town Council	240	-	-	-	240
Lloyds Foundation	-	32,486	23,146	-	9,340
Newcastle Hives™	-	25,000	25,000	-	-
Bridge Project	2,200	130,598	132,399	-	399
Northumberland Learning Hives™	7,117	74,655	69,748	-	12,024
Durham Learning Hive™	-	10,377	8,912	-	1,465
Total Restricted	29,607	314,731	286,412	-	57,926
Total Unrestricted (Note 14)	337,118	252,866	195,667	57,524	451,841
<b>TOTAL</b>	<b>366,725</b>	<b>567,597</b>	<b>482,079</b>	<b>57,524</b>	<b>509,767</b>

Garfield Weston contributes to our core support costs and will be fully spent by March 2022. Veterans Cycle Project fund ends in March 2022.

Bernicia Community Fund and Learning Hives™ Support Fund provided additional resources for our Learning Hives™ in Northumberland. Expenditure has been delayed due to Covid and are expected to be spent during 2021/22. YHN Community Fund supports our Women's Snug Project, currently due to end in December 2021. Northumberland Community Chest has funded an IT equipment loan project and will be fully spent in 2021/22. Lloyds Foundation fund is a mentoring project working with ex-offenders which ends in May 2021.

Newcastle Hives™, and Northumberland and Durham Learning Hives™ provide match funding towards our North of Tyne CLLD project (expected end date Mar 22), North of Tyne Working Homes project (ending Mar 23) and Durham LINKCD project (ending Mar 23) respectively. The Bridge Project, due to end in December 2022, is an employability project funded by the European Social Fund and the National Lottery Community fund and supports our Berwick Learning Hive and one-to-one Maths and English delivery.

Transfers reflect investment asset revaluation.

#### 14. MOVEMENT IN FUNDS

	At 01.04.20 £	Incoming Resources £	Outgoing Resources £	Transfers & Other Gains/ (Losses) £	At 31.03.21 £
<b>Restricted funds:</b>					
Charity activities	29,607	314,731	(286,412)	-	57,926
Total restricted funds	29,607	314,731	(286,412)	-	57,926
<b>Unrestricted funds:</b>					
Match Fund Reserve	-	20,695	-	-	20,695
Future Cost Reserve	55,219	3,501	-	-	58,720
Revaluation Fund	855	-	-	57,524	58,379
General funds	281,044	228,670	(195,667)	-	314,047
Total unrestricted funds	337,118	252,866	(195,667)	57,524	451,841
Total Funds	366,725	567,597	(482,079)	57,524	509,767

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the trustees, at their discretion, have created a fund for a specific purpose.

The basis for calculating 'free reserves' is after allowing for all designated and restricted funds, fixed assets and other non-current assets and liabilities.

Designated Funds comprise a Future Cost Reserve, a contingent fund to cover the cost of any potential redundancies arising as a result of reducing activities, and a Match Fund Reserve to cover committed contribution towards future projects.

#### 15. PENSION SCHEME

Our stakeholder pension scheme is operated by Scottish Life and all new employees are auto-enrolled into the scheme. The Trust's contributions in 2020/21 were £16,783 (2019/20 £13,316) at an employer's contribution rate of 5% of pensionable pay. Of this, £1,406 was outstanding at 31 March 2021 (£1,383 at 31 March 2020).

#### 16. OPERATING LEASE COMMITMENTS

The charity has future total commitments under operating leases as follows:

	Property £	At 31.03.21 Total £	At 31.03.20 Total £
Within 1 year	-	-	9,750
After more than 1 year	-	-	-
	-	-	9,750

## **17. ULTIMATE CONTROLLING PARTY**

In the opinion of the Trustees, the charitable company has no ultimate controlling party, other than the board of Trustees themselves.

## **18. LIMITED BY GUARANTEE**

The charitable company is a private limited company limited by guarantee and registered in England and Wales. The charity meets the definition of a public benefit entity under FRS 102. In the event of the charitable company being wound up members are required to contribute an amount of £1.00.

## **19. RELATED PARTY TRANSACTIONS**

The charitable company has had no transactions with any Related Parties.