

Charity registration number: 1142105
Company registration number: 06922966

**NEW LONDON EDUCATIONAL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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New London Educational Trust
Legal and Administrative Information

Reference and administrative information

Charity Number 1142105

Company Number 06922966

Registered Office Sceptre House 75-81
Staines Road
Hounslow, London
England
TW3 3HW

Trustees

The trustees and directors serving during the year and since the year end were as follows:

Emmanuel Mensah Afotey
Venkatesham Neela
Sujani Reddy Baddam

Auditors Accountax (UK) Limited
22-25 Portman Close
Marylebone
London
England
W1H 6BS

Key Management Personnel Ian Whitehead (Director of Operations)
Dr Aruna Ranasinghe (Director of Education)

New London Educational Trust
Trustees' Report (Including Directors' Report) (continued)
For the Year Ended 31 December 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Principal Activities

NLET's principal activities are to advance the education of the public in the United Kingdom and elsewhere in particular, but not exclusively, by the provision of educational programs, skills training and workshops, advice and information on educational, employability and careers opportunities and by developing, encouraging and supporting learning partnerships between educational organizations, businesses and the voluntary sector.

Objectives and activities

Our Objective:

1. To advance the education of the public in the United Kingdom and elsewhere in particular but not exclusively by the provision of foundation programs and workshops, advice and information on educational opportunities available in the United Kingdom and by developing, encouraging and supporting learning partnerships between educational organizations, businesses and the voluntary sector.
2. To advance education and training, by the provision and conduct of an independent school or schools and, insofar as it is incidental or ancillary to the advancement of education of children in the United Kingdom and elsewhere, to carry out such activities, including the provision of appropriate facilities for education.
3. To further such other charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the trustees may from time to time determine.

Our Mission Statement:

To be a progressive charity where everyone has the opportunity to grow, achieve and improve their life chances through education, training and employment related support.

Our Values:

The values that we aspire to through our work include:

- Care and compassionate support for all individuals.
- Deliver quality services to all individuals who participate in services at NLET.
- Listen and respond empathetically to our learners.
- Respect for all: valuing each person, their experience, opinions and choices.

Our Principles:

The principles we uphold in our work include:

- Inclusiveness - welcoming people from all backgrounds, treating them fairly, recognising and valuing their distinctiveness as individuals.
- Empowerment - creating an environment that enables people to take control of their learning, skills and employment goals, by listening to them and offering choice wherever possible.
- Equality - in the delivery of education and training to our learners and staff; recognising and valuing the diversity of the communities we serve.

New London Educational Trust
Trustees' Report (Including Directors' Report) (continued)
For the Year Ended 31 December 2022

Public Benefit:

We have referred to the guidance in the Charity Commission general 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 that they have set. The main activity of the charitable company is the operation of the trust's educational, training and employment related support services. The purpose is to provide rich and relevant skills/educational development for participants in our communities that enables them to be successful in their next stage of learning or employment. The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

During the period NLET supported the educational and employability needs of over 500 participants. Participants who were engaged in formal qualifications on our ESFA ALL program were able to enjoy an excellent achievement rate of 87.7%, which (at the time of writing) is higher than the national average of 86.2%.

The DWP Job Entry Targeted Support (JETS) program continued to perform exceptionally well with a job entry rate of over 60% for participants who engage in the service. Participants are four times more likely to enter into employment after receiving support through the program. The JETS (Job Entry Targeted Support) program supports West London residents that have become unemployed due to economic downturn triggered by the Covid-19 pandemic.

The ESF London Learning Project supports the in-work development of employees working in Health & Social Care, Retail and Hospitality sectors. After the repercussions of the Covid pandemic these sectors are now feeling new pressures caused by the economic challenges in the UK. We have seen an increase in referrals and the first quarter in 2023 saw more than 50 employees from local businesses supported by the project.

In the period, NLET has been delivering a European Social Fund project on behalf of the Greater London Authority. The project is called the NLET ESF Health & Social Care Academy and provides essential employability advice and guidance and CPD approved training to unemployed and economically inactive people, who want to work in the Health and Social Care sector. Targeting those who are furthest from the labour market, the project has been very successful with over 85% of participants achieving their learning goals and 30% progressing into sustainable employment.

In September 2022 NLET successfully retained Matrix Standard accreditation after a full inspection. The Matrix Standard is owned by the Department for Education (DfE) and ensures the delivery of high-quality information, advice and guidance (IAG) services that enable people to reach their full potential. The standard is delivered by the Growth Company and is applicable in all IAG settings including, education, skills, employability, careers, health advice, money advice, and more. Providers who attain Matrix Accreditation have a full inspection every 3yrs with an annual continuous improvement review.

Financial review

During the financial year ending 31st December 2022, the charity had a turnover of £2,114,043 (2021: £1,876,955) and generated a net surplus of £18,533 (2021: Net deficit of £280,141) for the financial year in 2022.

Funds have been provided from across all our projects and will continue well into 2023. In the most part incoming funds are restricted to contribute towards the associated costs of running our projects. Reasonable accountancy estimates have been used to calculate the direct and indirect costs which have been incurred.

NLET does not have any borrowings, and robust financial, human resource and operational systems and processes continue to be implemented in order to safeguard charity finances and business. These systems have ensured transparency, accountability, and sustainability of the charity.

It is the policy of the charity that unrestricted funds which have not been designated for a specific purpose, should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that in the event of a significant drop in funding, they will be able to continue the charity's activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

**New London Educational Trust
Trustees' Report (Including Directors' Report) (continued)
For the Year Ended 31 December 2022**

Plans for future

During 2022, the implementation of a digital strategy has enabled transparency, accountability and efficiency throughout operational and program delivery.

The trustees have continued to provide strategic guidance to operational staff to strengthen the systems and processes at project and organisational level, enhancing our services and provision. The trustees remain focused on continual improvement to support the core purpose of the NLET mission statement. This falls into 6 key priority areas:

1. **Quality of Provision** - Ensure the design and development of provision meets the needs of all participants.
2. **Behaviour and Attitudes** - Ensure rates of attendance of all participants, especially those most disadvantaged, are typically above 90%.
3. **Personal Development** - Provision of welfare and student service support to improve the personal development and wellbeing of participants across NLET.
4. **Leadership & Management** - Provide effective professional development for all leaders through sharing best practice and utilising capacity from where leadership is strong, particularly at middle leadership level.
5. **Growth Strategy** - Further strengthen NLET's long-term sustainability through growth over the next year and beyond.
6. **Organisational Development** - Effective monitoring of the systems, structures and processes to ensure highly effective provision at all levels within NLET.

Our challenges over the next five years:

- Changes in government legislation and economic policies.
- Compliance at audit inspections that reflect the quality of delivery, leadership and operations. Impact of Covid-19 on the education sector and long-term changes in the delivery model.
- Economic and Government impacts on funding opportunities.
- Staffing with the level of skills, experience and knowledge to ensure we meet and exceed the required standards and performance indicators.

Strategy and direction

NLET has continued to develop, shape and position itself to respond to funding and contracting opportunities as they arise. Our plans for the future are ambitious and wide-ranging and will lead to considerable improvements in the way we function, communicate, learn and grow. We need to continue to innovate, to be flexible and to be ready to seize new opportunities and to work together with the common objective of providing learners with the best possible educational and life experiences.

In 2023 NLET will be exploring links with Higher Educational Institutions and improving the facilities at its London campus. The NLET Exam Centre is also exploring additional links with Awarding Bodies and working to expand its services with examination.

Structure, governance and management

New London Educational Trust is a charitable company limited by guarantee, incorporated on 03rd June 2009 and registered as a charity on 23rd May 2011. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

New London Educational Trust
Trustees' Report (Including Directors' Report) (continued)
For the Year Ended 31 December 2022

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr EM Afotey
Mr V Neela
Ms S Baddam

Qualifying third party indemnity provisions

Members' Liability:

Every member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' Indemnities:

NLET has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on business. Details of the costs can be found in the accounts.

Trustee Board:

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the company. All trustee appointments are interviewed, assessed and approved by the Board of Trustees. Applications for trustees are encouraged from all sections of the community that reflect the diversity and range of community and business groups NLET works with.

Organisational Structure:

Although the Board of Trustees is a key player within the governance and strategy, and will therefore make key decisions regarding the direction of the charity, the implementation of the strategy is delegated to the appropriate executive staff who are bound by the policies and procedures that are approved by the Board annually.

The trustees and the Senior Lead Team (SLT) are responsible for policy and procedures, the operating budget, new projects and making decisions about major capital expenditure and appointments.

The SLT are responsible for the authorization of spending the agreed operating budget and the appointment of all staff, except staff appointment to the Senior Leadership Team. The appointment of roles to the latter must include trustee's representation.

Risk Management:

The trustees have overall responsibility for ensuring that the charity has in place a number of systems and controls that safeguard the work and assets of the charity. They are responsible for ensuring that:

- The charity is operating efficiently and effectively.
- It's assets are safeguarded against unauthorised use or disposition.
- Trustees and senior executive team are accountable.
- Proper records are maintained.
- Financial information is accessible, reliable and accurate.
- The charity complies with relevant laws and regulations.
- They identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

New London Educational Trust
Trustees' Report (Including Directors' Report) (continued)
For the Year Ended 31 December 2022

The Executive Team/SLT is responsible and accountable for the day-to-day compliance and implementation of the above. The process and systems used within the charity for internal controls are designed to provide regular, reasonable and timely, but not absolute assurance against misstatement or loss. They can include:

- A strategic plan.
- Financial and management reports.
- Newsletter with updates on the work of NLET and any new areas of work.
- Non-financial performance indicators, quality assurance, achievement and outcomes.
- Delegation of authority and segregation of duties.
- Regular and consistent identification and management of risks.

Community and Business:

NLET proactively markets itself by establishing constructive links with local and regional groups and charities. We have established partnership with the regional Chamber of Commerce (West London Chamber of Commerce), which facilitates joint work on behalf of west London businesses and residents. In addition, we work with dozens of employers in the region providing in-work support to their employees. These collaborative partnerships and relationships are central to the work of NLET. We pride ourselves in working across all community groups in the region which supports our charity objectives.

Stakeholder Relationships:

As an educational charity providing a broad range of services, NLET has many stakeholders. These include:

- Learners/Participants.
- Staff Members.
- Businesses and Employers.
- Local Authorities.
- Local Community Groups.
- Commissioners including Government offices.
- Other FE and Training Providers.
- Professional Bodies.

Subsidiary Companies:

Training Innovators Limited (registered office: Sceptre House, 75-81 Staines Road, Hounslow, London TW3 3HW) is a dormant company purchased by the Trust on 31 July 2018. Its shares are held by New London Educational Trust (NLET).

New London Educational Trust
Trustees' Report (Including Directors' Report) (continued)
For the Year Ended 31 December 2022

Statement of trustees' responsibilities

The trustees (who are also directors of New London Educational 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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:

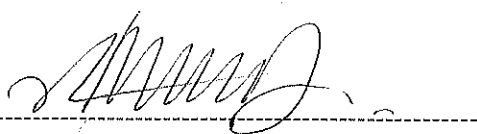
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf by:



Mr EM Afotey

Trustee

Date: 31st January 2024

**New London Educational Trust
Independent Auditor's Report
For The Year Ended 31 December 2022**

Independent Auditor's Report to the Trustees of New London Educational Trust

Opinion

We have audited the financial statements of New London Educational Trust (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 charity'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 trustee's 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 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.

**New London Educational Trust
Independent Auditor's Report
For The Year Ended 31 December 2022**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not been kept adequate records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities on page 7, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that act.

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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ghafoor Ahmad Khattak (Senior Statutory Auditor)
For and on behalf of Accountax (UK) Limited, Statutory Auditor

Chartered Certified Accountant and Registered Auditors
22-25 Portman Close, Marylebone Road, London, England, W1H 6BS

Date: 31/01/2024

New London Educational Trust
Statement of Financial Activities
Including Income and Expenditure Account
For The Year Ended 31 December 2022

		Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Charitable activities	2	78,662	2,011,505	2,090,167	1,820,501
Other income	3	23,876	-	23,876	56,454
Total income		102,538	2,011,505	2,114,043	1,876,955
<u>Expenditure:</u>					
Charitable activities	4	93,685	2,001,825	2,095,510	2,157,096
Net income / (expenditure) for the year		8,853	9,680	18,533	(280,141)
Net movement in funds		8,853	9,680	18,533	(280,141)
Fund balances at 1 January 2022		286,862	20,000	306,862	587,003
Fund balances at 31 December 2022		295,715	29,680	325,395	306,862

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 13 to 23 form part of these financial statements.

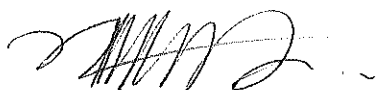
New London Educational Trust
Balance Sheet
As at 31 December 2022

		2022	2021
	Notes	£	£
FIXED ASSETS			
Tangible assets	9	115,552	41,975
		115,552	41,975
CURRENT ASSETS			
Debtors	11	253,420	257,206
Cash at bank and in hand		246,644	77,915
		500,064	335,121
Creditors: Amounts Falling Due Within One Year	12	(138,221)	(70,234)
NET CURRENT ASSETS		361,843	264,887
TOTAL ASSETS LESS CURRENT LIABILITIES		477,395	306,862
Creditors: Amounts Falling Due After More Than One Year	13	(152,000)	-
NET ASSETS		325,395	306,862
INCOME FUNDS			
Restricted Funds		29,680	20,000
Unrestricted funds	14	295,715	286,862
TOTAL FUNDS		325,395	306,862

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the Board of Trustees on 31 Jan. 2024 and were signed on its behalf by;



Mr EM Afotey
Trustee

Company registration number: 069222966

The notes on pages 13 to 23 form part of these financial statements.

New London Educational Trust
Statement of Cash flows
For The Year Ended 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash generated / (used in) from operations	16	261,353	(54,361)
		<u>261,353</u>	<u>(54,361)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets	9	(92,624)	(5,969)
Net cash used in investing activities		<u>(92,624)</u>	<u>(5,969)</u>
Net increase / (decrease) in cash and cash equivalents		168,729	(60,330)
Cash and cash equivalents at beginning of year		<u>77,915</u>	<u>138,245</u>
Cash and cash equivalents at end of year		<u><u>246,644</u></u>	<u><u>77,915</u></u>

The notes on pages 13 to 23 form part of these financial statements.

1. ACCOUNTING POLICIES

Charity information

New London Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Sceptre House, 75-81 Staines Road, Hounslow, London, TW3 3HW.

1.1. Basis of preparing the financial statements

The financial statements of the charity have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The charity meets the definition of a public benefit entity under FRS 102.

1.2. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Every month the charity will receive the funds which must be used to spend on supplying education. Once the charity has met its obligations for the month, any surplus in funds will be allocated to the unrestricted funds.

A provision is included in the restricted fund account for any potential fund cancellations.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4. Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1. ACCOUNTING POLICIES - CONTINUED

1.5. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6. Volunteers

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in note 6.

1.7. Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures & Fittings	20% reducing balance basis
Computer Equipment	20% reducing balance basis
Leasehold improvements	5 years

1.7. Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1. ACCOUNTING POLICIES – CONTINUED

1.9. Financial Instruments

i. Financial assets

Basic financial assets, including debtors and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including creditors and other payables are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

1. ACCOUNTING POLICIES – CONTINUED

1.10. Taxation

The charity is exempt from tax on its charitable activities.

1.11. Employees benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12. Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13. Critical accounting estimates and assumptions

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.14. Provision

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

New London Educational Trust
Notes to the Financial Statements
For The Year Ended 31 December 2022

2. CHARITABLE ACTIVITIES

	2022	2021
	£	£
Tuition income	2,011,505	1,782,135
Test Centre	78,662	38,366
	<u>2,090,167</u>	<u>1,820,501</u>
Analysis by fund		
Unrestricted funds	78,662	38,366
Restricted funds	2,011,505	1,782,135
	<u>2,090,167</u>	<u>1,820,501</u>

3. OTHER INCOME

	2022	2021
	£	£
Other income	9,062	5,004
Rental income	14,814	34,089
Job Retention Scheme grants	-	17,361
	<u>23,876</u>	<u>56,454</u>

4. CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	900,304	784,700
Depreciation and impairment	19,047	10,369
Learning provider costs	624,384	576,230
Rent	186,289	184,578
Rates	23,882	19,626
Light and heat	13,421	10,727
Repair and renewals	11,726	35,516
Cleaning	7,368	4,075
Travel costs	1,429	1,327
Accountancy fees	4,103	10,553
ESFA clawbacks claim	175,311	-
Bad debts	26,648	441,117
	<u>1,993,912</u>	<u>2,078,818</u>
Share of support costs (see note 5)	101,598	78,278
	<u>2,095,510</u>	<u>2,157,096</u>
Analysis by fund		
Unrestricted funds	93,685	509,233
Restricted funds	2,001,825	1,647,863
	<u>2,095,510</u>	<u>2,157,096</u>

New London Educational Trust
Notes to the Financial Statements
For The Year Ended 31 December 2022

5. SUPPORT COSTS

	2022	2021
	£	£
Management costs	90,576	62,148
Finance costs	482	821
Governance costs	10,540	15,309
	<u>101,598</u>	<u>78,278</u>

Governance costs include auditors' remuneration of £7,800 (2021: £12,009)

6. THE CONTRIBUTION OF VOLUNTEERS

The volunteers work tirelessly to achieve the goals of the charity and their contribution cannot be measured.

7. TRUSTEES' REMUNERATION AND BENEFITS

None of the trustees (or any person connected with them) received any remuneration or benefits from the charity during the year.

8. EMPLOYEES

Number of employees

The average monthly number of employees during the year was:

	2022	2021
	<u>37</u>	<u>34</u>
Employment costs		
	2022	2021
	£	£
Wages and salaries	817,994	715,024
Social security costs	67,725	57,055
Other pension costs	14,585	12,621
	<u>900,304</u>	<u>784,700</u>

No employees received emoluments in excess of £60,000 in the year ended 31 December 2022 (2021: 1).

New London Educational Trust
Notes to the Financial Statements
For The Year Ended 31 December 2022

9. Tangible fixed assets

	Leasehold Improvements	Fixture and fittings	Computer equipment	Total
	£	£	£	£
Cost				
As at 01 January 2022	-	71,200	47,978	119,178
Additions	68,160	3,882	20,582	92,624
As at 31 December 2022	68,160	75,082	68,560	211,802
Depreciation				
As at 01 January 2022	-	48,042	29,161	77,203
Charge for the year	8,622	5,296	5,129	19,047
As at 31 December 2022	8,622	53,338	34,290	96,250
Net Book Value				
Rate	5 yrs.	20.00%	20.00%	
As at 31 December 2022	59,538	21,744	34,270	115,552
As at 31 December 2021	-	23,158	18,817	41,975

10. Fixed assets investments

	Other investments £
Cost or valuation	
At 01 January 2022 & 31 December 2022	5,000
Impairment	
At 01 January 2022 & 31 December 2022	(5,000)
Carrying amount	
At 01 January 2022 & 31 December 2022	-

There were no investment assets outside of the UK.

The charity's investment at the balance sheet date in the share capital of companies include the following:

Training Innovators Limited

Registered office: Sceptre House, 75-81 Staines Road, Hounslow, London, United Kingdom, TW3 3HW

Nature of business: Dormant

Class of share: Ordinary

% holding: 100

The charity has chosen not to consolidate the accounts as the subsidiary is dormant and it would not materially affect the financial statements.

New London Educational Trust
Notes to the Financial Statements
For The Year Ended 31 December 2022

11. DEBTORS

	Note	2022	2021
		£	£
Due within one year			
Trade debtors		208,178	185,774
Prepayments and accrued income		6,242	28,682
		<u>214,420</u>	<u>214,456</u>
Due after more than one year			
Other debtors		39,000	42,750
		<u>39,000</u>	<u>42,750</u>
		<u>253,420</u>	<u>257,206</u>

12. CREDITORS-AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	69,816	21,312
Other taxes and social security	22,561	19,182
Other creditors	28,562	5,026
Accruals and deferred income	17,282	24,714
	<u>138,221</u>	<u>70,234</u>

13. CREDITORS-AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other creditors	152,000	-
	<u>152,000</u>	<u>-</u>

Other creditors include clawback claims by the Education and Skills Funding Agency (ESFA) in relation to past apprenticeship learners.

New London Educational Trust
Notes to the Financial Statements
For The Year Ended 31 December 2022

14. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpanded balances of donations and grants held on trust for specific purpose:

	Balance at 01 January 2021	Movement in funds			Balance at 01 January 2022	Movement in funds			Balance at 31 December 2022
		Income	Expenditure	Transfers		Income	Expenditure	Transfers	
Educational services	<u>68,856</u>	<u>1,799,496</u>	<u>(1,647,863)</u>	<u>(200,489)</u>	<u>20,000</u>	<u>2,011,505</u>	<u>(2,001,825)</u>	<u>-</u>	<u>29,680</u>

Every month the charity will receive the funds which must be used to spend on suppling education. Once the charity has met its obligations for the month, any surplus in funds with be allocated to the unrestricted funds.

New London Educational Trust
Notes to the Financial Statements
For The Year Ended 31 December 2022

15. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	115,552	-	115,552
Current assets	180,163	29,680	209,843
	<u>295,715</u>	<u>29,680</u>	<u>325,395</u>

16. CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Surplus / (deficit) for the year	18,533	(280,141)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	19,047	10,369
Movement in working capital		
Decrease in debtors	3,786	440,140
Increase / (decrease) in creditors	219,987	(224,729)
Cash generated / (used in) from operations	<u>261,353</u>	<u>(54,361)</u>

New London Educational Trust
Notes to the Financial Statements
For The Year Ended 31 December 2022

17. Financial Instruments

The Charity has the following financial instruments:

Financial assets at fair value through profit or loss

	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	208,178	185,774
Other debtors	39,000	42,750
	<u>247,178</u>	<u>228,524</u>

	2022	2021
	£	£
Financial liabilities measured at amortised cost		
Trade creditors	69,816	21,312
Other taxes and social security	22,561	19,182
Other creditors	180,562	5,026
Accruals	16,155	22,250
	<u>289,094</u>	<u>67,770</u>

18. RELATED PARTY TRANSACTIONS

The charity operates at Sceptre House 75-81 Staines Road, Hounslow, London, United Kingdom, TW3 3HW. The property is owned by a family member of the Director, Sujani Baddam.

The charity incurred rental costs of £180,000 (2021: £184,578) during the year.