

CANTO LEARNING LIMITED

England & Wales · Charity number 1168455

Details

Status Registered

Legal form Charitable company

Company number [10094184](#)

Registered 2016-07-27

Register [View on the Charity Commission register](#)

Contact

Address Canto Learning Ltd
Willis House
Tonmead Road
Northampton
NN3 8HU

Phone 01604741150

Website <http://www.cantolearning.co.uk/>

Activities

Objects: TO ADVANCE THE EDUCATION AND SKILLS OF YOUNG PEOPLE WHO LIVE WITH CHALLENGES ARISING FROM LEARNING, BEHAVIOURAL, EMOTIONAL OR SOCIAL DIFFICULTIES BY THE PROVISION OF A SPECIALIST ESTABLISHMENT.

Activities: To advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist learning establishment.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information
- **What:** Education/training, Disability
- **Who:** Children/young People, People With Disabilities

Geography

- Northamptonshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£2,209,159	£1,849,306	£2,703,735	58
2024-07-31	£1,860,892	£1,602,973	£2,343,882	53
2023-07-31	£1,761,781	£1,542,619	£2,085,963	52
2022-07-31	£1,534,829	£1,297,226	£1,866,801	52
2021-07-31	£1,362,105	£1,173,276	£1,629,198	51

Trustees

Name	Role	Appointed
ADAM BILLINGHAM		2016-03-31
Alan Robert Sanders		2022-09-26
CHARLOTTE DEAR		2016-03-31
JULIE GADSDEN		2016-06-24
Jonathan Byrne		2025-05-19
Malcolm Arthur Saxby		2025-05-19
Philip Burch		2019-11-27
Thomas Goodridge		2023-01-30
Tracey Davidson		2022-05-23
Tristan Clee		2025-09-15

CANTO LEARNING LIMITED

England & Wales - Charity number 1168455

Accounts

REGISTERED COMPANY NUMBER: 10094184 (England and Wales)
REGISTERED CHARITY NUMBER: 1168455

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 July 2025
for
Canto Learning Limited

Canto Learning Limited

Contents of the Financial Statements
for the year ended 31 July 2025

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 24
Detailed Statement of Financial Activities	25 to 26

Canto Learning Limited (Registered number: 10094184)

Report of the Trustees
for the year ended 31 July 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2025. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The Charity achieves the stated objective by continuing to successfully run the specialist establishment and by understanding those who access the provision, maintain the high standards in all work, continuing to striving for success, safe guarding those in the Charities care, and, ensuring equality, diversity and inclusion are promoted throughout the organisation.

Public benefit

All the Charity's activities are undertaken to further our charitable purpose for the benefit of the public. The trustees have had regard to the Charity Commission guidance on public benefit in section four of the Charities Act 2011. The main benefits which have arisen during the year from the organisations aims and activities are detailed in the following sections and in the financial review.

STRATEGIC REPORT

Achievements and performance

Review of the year's activities

The trustees remain confident that the general balance between income, expenditure and reserves has remained satisfactory throughout the year. They also remain confident that all resources have been used in an effective manner and that all funds spent have been done so to further improve and enrich the lives of those that attend the provision.

CANTO Learning Ltd continues to increase students provision due to the growing need of those residing in Northamptonshire and the surrounding area. The good reputation of the organisation means that demand for the services is increasing leading to organic growth of student numbers across both Adult Social Care and Education funded provision.

The accumulated surplus shown in these accounts are in line with the plans for future development of the provision in the form of a new premise. The trustees consider this essential due to the increasing challenges on the current site due to the growth of the provision.

Ofsted's most recent inspection in 2023 judged the education provision to remain good and recognising the valuable work being undertaken and the impact it has on the lives of those attending its Education provision. The in-year monitoring visit from West Northamptonshire County Council confirmed that the provision for its Adult Social Care funded programme is meeting the needs of those who access it.

We have made significant progress throughout the year in relation to the key elements of our strategy, the board monitors the progress by reference to the following financial KPI's:

	2025	2024
Accumulated surplus	£1,977,569	£1,603,750
Wage cost as a % of incoming resources	64.4%	67.8%
Operating surplus %	16.3%	13.9%

Report of the Trustees
for the year ended 31 July 2025

STRATEGIC REPORT

Achievements and performance

Fundraising activities

The charity does not carry out significant fundraising activities, it does, however, undertake minor fundraising activities and social events aimed to give the young people who live with challenges arising from behavioural, emotional and social difficulties, a platform to express themselves and further their progression within the scope of the charities stated public benefit.

Financial review

Financial position

The Charity is satisfied with its financial position, it has healthy reserves which would maintain the charity for a period of time should activities be unexpectedly curtailed.

Principal funding sources

The principal funding sources remain the various local authorities in and around Northamptonshire region and the DfE, who enable the charity to undertake its day to day activities and meet its stated objectives.

Investment policy and objectives

The investment policy of the charity is to put surplus funds into low risk investments with a view to generating a reasonable return while maintaining the security and accessibility of the funds. At the balance sheet date the company held fixed term deposits with its main bankers which could be accessed if needed.

Reserves policy

The nature of funding to the charity is such that payments are received in advance for various areas of the activities undertaken. These funds are reconcilable at the end of the academic year and, if unused, are at risk of being clawed back if the charity cannot demonstrate that the funds have been applied. Such 'at risk' funds are retained separately and only allocated to the finances of the charity as they are applied. It is from these applied funds that allocation is made to our reserves. Reserve funds are invested in an array interest bearing notice bank accounts to achieve a higher return, while keeping any downside risk to a minimum.

The trustees are satisfied that the amount of reserves remains at a healthy level and is being constantly monitored to ensure the long-term financial stability of the charity. At the balance sheet date, total reserves amounted to £2,703,735.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the charity is exposed, those relating to 'In Advance' payments which could be clawed back by the funding authorities. The trustees are satisfied that the measures in place adequately provide for any such risk that exists. Financial reports are completed and presented to each Board of Trustees meeting and satisfy the trustees that appropriate systems are in place to mitigate our exposure to all major risks.

Future plans

The Charity's future plan is to continue to develop the core provision of education and training to your SEN student groups. The strategic plan for the next 5 years is to move the college to a new site with the infrastructure to accommodate the growing student numbers in line with demand. This will also allow for more innovative activities to further enhance the work being undertaken and ensuring that the differing needs of our programmes are met.

Essential building maintenance continues whilst we remain in the current building and we look forward to operating from our secondary site from January 2026.

There is significant growth in student numbers for both Adult Social Care and Education programmes for 2025/26.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Report of the Trustees
for the year ended 31 July 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The identification, recruitment and appointment of new trustees is done by the existing trustees, in particular the head of centre. These individuals are identified based upon their particular skills and knowledge, specifically, areas of weakness in the collective knowledge of the trustees is identified as part of the ongoing risk assessment, and the recruitment of a new trustees is targeted to help fill this knowledge gap.

The training of new trustees are conducted by existing trustees, by the head of centre, by attending ongoing CPD, and by spending time in and around the Canto Community.

Related parties

The financial statements were prepared by a Clifford Roberts Chartered Accountants, a firm in which Mr. A Billingham, was a Trustee. Clifford Roberts Chartered Accountants did not undertake the audit of the financial statements, these were audited by an external firm of auditors.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10094184 (England and Wales)

Registered Charity number

1168455

Registered office

Willis House
Tonmead Road
Lumbertubs
Northampton
Northamptonshire
NN3 8HU

Trustees

Mrs C Dear
Mr P Burch
Mrs J Gadsden
Mrs A Fometu (resigned 14.3.2025)
Mr A M Billingham
Mrs T Davidson
Mr A R Sanders
Mr T J Goodridge
Mr J J Byrne (appointed 19.5.2025)
Mr T Clee (appointed 15.9.2025)
Mr M A Saxby (appointed 19.5.2025)

Auditors

Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Canto Learning Limited (Registered number: 10094184)

Report of the Trustees
for the year ended 31 July 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Canto Learning Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 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;
- 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.

PREPARATION OF THE REPORT

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

AUDITORS

The auditors, Cottons Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 19 January 2026 and signed on the board's behalf by:

Mr A M Billingham - Trustee

Report of the Independent Auditors to the Members of Canto Learning Limited

Opinion

We have audited the financial statements of Canto Learning Limited (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of Canto Learning Limited

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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

- We obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2022, Companies Act 2006 and UK Generally Accepted Accounting Practice.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and by observing the oversight of management, the culture of honesty and ethical behaviour and whether strong emphasis is placed on fraud prevention, which may reduce the opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud in the first instance. We corroborated our inquiries through our review of all relevant available audit information.
- We assessed and understood the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. The audit procedures performed by the engagement team included:
 - > Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
 - > Understanding of how senior management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - > Challenging assumptions and judgements made by management in its significant accounting estimates;
 - > Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and,
 - > Assessing the extent of compliance with relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Callum Veasey ACA (Senior Statutory Auditor)
for and on behalf of Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

Date:

Canto Learning Limited

**Statement of Financial Activities
for the year ended 31 July 2025**

	Notes	Unrestricted funds £	Restricted fund £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	3,085	-	3,085	859
Charitable activities					
Programme income	6	2,162,236	-	2,162,236	1,817,102
Other trading activities	4	28,952	-	28,952	30,466
Investment income	5	14,886	-	14,886	12,465
Total		<u>2,209,159</u>	<u>-</u>	<u>2,209,159</u>	<u>1,860,892</u>
EXPENDITURE ON					
Charitable activities					
Programme income	7	1,836,367	-	1,836,367	1,588,713
Other		12,939	-	12,939	14,260
Total		<u>1,849,306</u>	<u>-</u>	<u>1,849,306</u>	<u>1,602,973</u>
NET INCOME		359,853	-	359,853	257,919
RECONCILIATION OF FUNDS					
Total funds brought forward		2,343,882	-	2,343,882	2,085,963
TOTAL FUNDS CARRIED FORWARD		<u><u>2,703,735</u></u>	<u><u>-</u></u>	<u><u>2,703,735</u></u>	<u><u>2,343,882</u></u>

The notes form part of these financial statements

Canto Learning Limited (Registered number: 10094184)

Balance Sheet
31 July 2025

	Notes	Unrestricted funds £	Restricted fund £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	13	1,633,674	-	1,633,674	1,482,566
CURRENT ASSETS					
Stocks	14	650	-	650	650
Debtors	15	147,981	-	147,981	111,027
Cash at bank and in hand		1,020,092	-	1,020,092	866,847
		<hr/>	<hr/>	<hr/>	<hr/>
		1,168,723	-	1,168,723	978,524
CREDITORS					
Amounts falling due within one year	16	(98,662)	-	(98,662)	(93,277)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		1,070,061	-	1,070,061	885,247
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,703,735	-	2,703,735	2,367,813
CREDITORS					
Amounts falling due after more than one year	17	-	-	-	(23,931)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		2,703,735	-	2,703,735	2,343,882
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	21				
Unrestricted funds				2,703,735	2,343,882
				<hr/>	<hr/>
TOTAL FUNDS				2,703,735	2,343,882
				<hr/>	<hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 19 January 2026 and were signed on its behalf by:

Mr A M Billingham - Trustee

Mrs C Dear - Trustee

The notes form part of these financial statements

Canto Learning Limited

Cash Flow Statement
for the year ended 31 July 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	371,514	323,988
Interest paid		(958)	(1,739)
		<hr/>	<hr/>
Net cash provided by operating activities		370,556	322,249
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(204,156)	(142,633)
Interest received		14,886	12,465
		<hr/>	<hr/>
Net cash used in investing activities		(189,270)	(130,168)
		<hr/>	<hr/>
Cash flows from financing activities			
Loan repayments in year		(28,041)	(27,326)
		<hr/>	<hr/>
Net cash used in financing activities		(28,041)	(27,326)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		153,245	164,755
Cash and cash equivalents at the beginning of the reporting period		866,847	702,092
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		1,020,092	866,847
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Canto Learning Limited

Notes to the Cash Flow Statement
for the year ended 31 July 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	359,853	257,919
Adjustments for:		
Depreciation charges	53,046	36,567
Interest received	(14,886)	(12,465)
Interest paid	958	1,739
(Increase)/decrease in debtors	(36,954)	25,013
Increase in creditors	9,497	15,215
	371,514	323,988
Net cash provided by operations	371,514	323,988

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.24	Cash flow	At 31.7.25
	£	£	£
Net cash			
Cash at bank and in hand	866,847	153,245	1,020,092
	866,847	153,245	1,020,092
Debt			
Debts falling due within 1 year	(28,043)	4,112	(23,931)
Debts falling due after 1 year	(23,931)	23,931	-
	(51,974)	28,043	(23,931)
Total	814,873	181,288	996,161

The notes form part of these financial statements

Canto Learning Limited

Notes to the Financial Statements **for the year ended 31 July 2025**

1. STATUTORY INFORMATION

Canto Learning Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's business address is Willis House, Tonmead Road, Lumbertubs, Northampton. NN3 8HU.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

Canto Learning Limited is an incorporated Charity in the United Kingdom. The nature of the charity's operations and principal activities are to advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) '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)'. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date the financial statements are authorised. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Valuation of fixed assets
- Valuation of deferred income
- Calculation of accruals
- Valuation of the capital reserve

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2025**

2. ACCOUNTING POLICIES - continued

Income

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of education service funding. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost, excluding est. land value
Improvements to property	- 2% on cost

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2025**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- 15% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Canto Learning Limited

Notes to the Financial Statements - continued
for the year ended 31 July 2025

3. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	3,085	859
	<u>3,085</u>	<u>859</u>

Income from fundraising activities was £3,085 of which £nil was attributable to capital reserve, £nil was attributable to endowments, £nil was attributable to restricted and £3,085 was attributable to unrestricted funds.

4. OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Clothing income	7,140	7,140
Tuck shop income	1,511	1,769
Avon income	20,301	21,557
	<u>28,952</u>	<u>30,466</u>

Income from other trading activities was £28,952 of which £nil was attributable to endowments, £nil was attributable to restricted and £28,952 was attributable to unrestricted funds.

5. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	14,886	12,465
	<u>14,886</u>	<u>12,465</u>

Income from investment activities was £14,886 of which £nil was attributable to endowments, £nil was attributable to restricted and £14,886 was attributable to unrestricted funds.

6. INCOME FROM CHARITABLE ACTIVITIES

		2025	2024
	Activity	£	£
Programme income	Programme income	930,720	756,771
Sundry income	Programme income	-	6,350
Grants	Programme income	1,231,516	1,053,981
		<u>2,162,236</u>	<u>1,817,102</u>

Income from charitable activities was £2,162,236 of which £nil was attributable to endowments, £nil was attributable to restricted and £2,162,236 was attributable to unrestricted funds.

Grants received, included in the above, are as follows:

	2025	2024
	£	£
Government funding	1,231,516	1,053,981
	<u>1,231,516</u>	<u>1,053,981</u>

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2025**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Programme income	1,823,734	12,633	1,836,367

The charity has only one activity, and all expenditure is incurred in furtherance of that activity. The allocation of support costs is all allocated to one activity of the charity.

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Programme income	1,523	11,110	12,633

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Auditors' remuneration	6,000	5,760
Depreciation - owned assets	53,048	36,567
Operating lease cost	1,798	-

10. TRUSTEES' REMUNERATION AND BENEFITS

	2025 £	2024 £
Trustees' salaries	89,706	83,959
Trustees' social security	10,802	8,723
Trustees' pensions paid	2,591	2,439
	<u>103,099</u>	<u>95,121</u>

The two Trustees for which remuneration is paid are Mrs. J. Gadsden and Mrs C. Dear. Both trustees are also accruing pension contributions under the charities auto enrolment obligation.

The charity has legal authority within its memorandum and articles of association to pay remuneration to Trustees, and this has been agreed with the Charities Commission. The remuneration was paid, not for the role of Trustee, but for the job undertaken within the Charity.

The charity considers that only its trustees are considered key management personnel and their remuneration is disclosed above.

The charity did reimburse expenses to trustees; the amount reimbursed is disclosed below and related to travel and subsistence payments. There was only one trustee who received reimbursed expenses.

Trustees' expenses

	2025 £	2024 £
Trustees' expenses	605	2,805

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2025**

11. STAFF COSTS AND TRUSTEES

	2025 £	2024 £
Wages and salaries	1,284,745	1,148,362
Social security costs	106,463	85,842
Other pension costs	31,671	28,404
	<u>1,422,879</u>	<u>1,262,608</u>

The average monthly number of employees during the year was as follows:

	2025	2024
Employed Trustees	2	2
Other, Non-Salaried, Trustees	7	7
Leadership Team	5	5
Teaching Staff	12	12
Support Staff	33	28
Administrative Staff	6	6
	<u>65</u>	<u>60</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
	<u>2</u>	<u>1</u>

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	859	-	859
Charitable activities			
Programme income	1,817,102	-	1,817,102
Other trading activities	30,466	-	30,466
Investment income	12,465	-	12,465
Total	<u>1,860,892</u>	<u>-</u>	<u>1,860,892</u>
EXPENDITURE ON			
Charitable activities			
Programme income	1,588,713	-	1,588,713
Other	14,260	-	14,260
Total	<u>1,602,973</u>	<u>-</u>	<u>1,602,973</u>
NET INCOME	257,919	-	257,919

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2025**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	2,085,963	-	2,085,963
	2,343,882	-	2,343,882
TOTAL FUNDS CARRIED FORWARD	2,343,882	-	2,343,882

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 August 2024	1,134,748	382,038	49,338
Additions	-	130,227	11,872
	1,134,748	512,265	61,210
At 31 July 2025	1,134,748	512,265	61,210
DEPRECIATION			
At 1 August 2024	115,410	19,293	35,332
Charge for year	19,235	6,679	5,157
	134,645	25,972	40,489
At 31 July 2025	134,645	25,972	40,489
NET BOOK VALUE			
At 31 July 2025	1,000,103	486,293	20,721
At 31 July 2024	1,019,338	362,745	14,006

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 August 2024	64,591	37,902	79,241	1,747,858
Additions	12,797	15,891	33,369	204,156
	77,388	53,793	112,610	1,952,014
At 31 July 2025	77,388	53,793	112,610	1,952,014
DEPRECIATION				
At 1 August 2024	35,832	16,054	43,371	265,292
Charge for year	7,540	4,635	9,802	53,048
	43,372	20,689	53,173	318,340
At 31 July 2025	43,372	20,689	53,173	318,340
NET BOOK VALUE				
At 31 July 2025	34,016	33,104	59,437	1,633,674
At 31 July 2024	28,759	21,848	35,870	1,482,566

No depreciation was provided on the estimated land value of £173,000 which is included in the total cost at the start of the year.

Canto Learning Limited

Notes to the Financial Statements - continued
for the year ended 31 July 2025

13. TANGIBLE FIXED ASSETS - continued

All assets are used within the Charity for the benefit of the charitable purpose.

14. STOCKS

	2025	2024
	£	£
Stocks	650	650
	<u>650</u>	<u>650</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	31,764	20,197
Other debtors	430	250
Prepayments and accrued income	115,787	90,580
	<u>147,981</u>	<u>111,027</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Bank loans and overdrafts (see note 18)	23,931	28,043
Trade creditors	14,478	2,263
Social security and other taxes	30,804	21,581
Other creditors	13,944	29,803
Accruals and deferred income	15,505	11,587
	<u>98,662</u>	<u>93,277</u>

Government grant income for the forthcoming academic year is paid up front and subject to potential clawback at the end of the period.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Bank loans (see note 18)	-	23,931
	<u>-</u>	<u>23,931</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year on demand:		
Bank loans	23,931	28,043
	<u>23,931</u>	<u>28,043</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	-	23,931
	<u>-</u>	<u>23,931</u>

The company has one long term loan, bearing a fixed interest rate of 2.00% above base rate.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2025**

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025 £	2024 £
Within one year	10,787	-
Between one and five years	40,451	-
	51,238	-
	51,238	-

During the year lease payments recognised as an expense totalled £2,697 (2024 - £nil).

20. SECURED DEBTS

The following secured debts are included within creditors:

	2025 £	2024 £
Bank loans	23,931	51,974
	23,931	51,974
	23,931	51,974

There are two charges in relation to the loan monies outstanding both in favour of Lloyds Bank Plc, one over the property known as Willis House, and the other over all other assets of the Charity.

21. MOVEMENT IN FUNDS

	At 1.8.24 £	Net movement in funds £	Transfers between funds £	At 31.7.25 £
Unrestricted funds				
General Fund	1,603,750	359,853	13,966	1,977,569
Capital Reserve	740,132	-	(13,966)	726,166
	2,343,882	359,853	-	2,703,735
TOTAL FUNDS	2,343,882	359,853	-	2,703,735

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	2,209,159	(1,849,306)	359,853
	2,209,159	(1,849,306)	359,853
TOTAL FUNDS	2,209,159	(1,849,306)	359,853

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2025**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.23 £	Net movement in funds £	Transfers between funds £	At 31.7.24 £
Unrestricted funds				
General Fund	1,344,426	257,919	1,405	1,603,750
Capital Reserve	741,537	-	(1,405)	740,132
	<u>2,085,963</u>	<u>257,919</u>	<u>-</u>	<u>2,343,882</u>
TOTAL FUNDS	<u>2,085,963</u>	<u>257,919</u>	<u>-</u>	<u>2,343,882</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,860,892	(1,602,973)	257,919
	<u>1,860,892</u>	<u>(1,602,973)</u>	<u>257,919</u>
TOTAL FUNDS	<u>1,860,892</u>	<u>(1,602,973)</u>	<u>257,919</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.23 £	Net movement in funds £	Transfers between funds £	At 31.7.25 £
Unrestricted funds				
General Fund	1,344,426	617,772	15,371	1,977,569
Capital Reserve	741,537	-	(15,371)	726,166
	<u>2,085,963</u>	<u>617,772</u>	<u>-</u>	<u>2,703,735</u>
TOTAL FUNDS	<u>2,085,963</u>	<u>617,772</u>	<u>-</u>	<u>2,703,735</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	4,070,051	(3,452,279)	617,772
	<u>4,070,051</u>	<u>(3,452,279)</u>	<u>617,772</u>
TOTAL FUNDS	<u>4,070,051</u>	<u>(3,452,279)</u>	<u>617,772</u>

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2025**

21. MOVEMENT IN FUNDS - continued

Transfers between funds

The Capital Reserve is released over the life of the related asset, allocating the transfer of fund against the depreciation charge with Unrestricted Funds.

22. EMPLOYEE BENEFIT OBLIGATIONS

The company operates defined contribution, auto enrolment retirement benefit schemes for all its qualifying employees. The total expense charged to profit or loss in the period ended 31st July 2025 was £34,262 (2024: £30,843). The amount owed to the pension schemes at the year-end was £Nil (2024: £NIL).

23. RELATED PARTY DISCLOSURES

The Director, Mr. A. Billingham, is also a Partner of Clifford Roberts Chartered Accountants, who provided accountancy services to the Charity. Included within accountancy costs are amounts totalling £4,690 paid to Clifford Roberts in respect of accountancy services conducted at arm's length by other members of the firm. At the year-end there was an unsecured credit balance outstanding of £Nil (2024: £Nil).

24. AUDITOR LIABILITY LIMITATION AGREEMENT

The company has entered into a liability limitation agreement with its auditors and this agreement was approved by resolution dated 17th November 2025.

Liability is limited to the lesser of 20 times the audit fee or £105,000. In accordance with section 537 of Companies Act 2006, the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable, as determined by that section, the agreement shall have the effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of the financial statements of the company for the year ended 31st July 2025.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws or regulations.

25. POST BALANCE SHEET EVENTS

There are no events after the period end that requires reporting on.

26. FINANCIAL RISK MANAGEMENT

The company has some exposure to credit, liquidity and cashflow interest rate risks, these risks are limited by the company's financial management policies and practices described below.

Credit risk

The company offer credit terms to its customers which allows payment of the debt at a future specified time. The company mitigates this risk by maintaining strong customer relationships and regular analysis its sales ledger for troubled customers.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. Currently based on the cash reserves this is not deemed a significant risk.

Interest rate risk

Canto Learning Limited

Notes to the Financial Statements - continued
for the year ended 31 July 2025

26. FINANCIAL RISK MANAGEMENT - continued

The company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. Apart from the Long-term loan the company does not have significant interest-bearing assets and liabilities. Fixed rate terms are agreed when considered favourable to mitigate risk.

The company holds no derivative financial instruments at the year end.

Canto Learning Limited

Detailed Statement of Financial Activities
for the year ended 31 July 2025

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	3,085	-	3,085	859
Other trading activities				
Clothing income	7,140	-	7,140	7,140
Tuck shop income	1,511	-	1,511	1,769
Avon income	20,301	-	20,301	21,557
	<hr/>	<hr/>	<hr/>	<hr/>
	28,952	-	28,952	30,466
Investment income				
Deposit account interest	14,886	-	14,886	12,465
Charitable activities				
Programme income	930,720	-	930,720	756,771
Sundry income	-	-	-	6,350
Grants	1,231,516	-	1,231,516	1,053,981
	<hr/>	<hr/>	<hr/>	<hr/>
	2,162,236	-	2,162,236	1,817,102
Total incoming resources				
	<hr/>	<hr/>	<hr/>	<hr/>
	2,209,159	-	2,209,159	1,860,892
EXPENDITURE				
Charitable activities				
Trustees' salaries	89,706	-	89,706	83,959
Trustees' social security	10,802	-	10,802	8,723
Trustees' pensions paid	2,591	-	2,591	2,439
Trustees' expenses	605	-	605	2,805
Wages	1,195,039	-	1,195,039	1,064,403
Social security	95,661	-	95,661	77,119
Pensions	31,671	-	31,671	28,404
Rates and water	9,638	-	9,638	3,570
Insurance	17,392	-	17,392	13,870
Light and heat	44,486	-	44,486	39,411
Telephone	29,955	-	29,955	27,774
Postage and stationery	11,356	-	11,356	13,694
Sundries	337	-	337	190
Programme costs	70,092	-	70,092	50,265
School meals	685	-	685	3,540
Student travel costs	7,732	-	7,732	7,694
Repairs to property	64,102	-	64,102	29,688
Waste removal	13,912	-	13,912	15,179
Motor expenses	14,079	-	14,079	10,192
Staff costs and refreshments	46,304	-	46,304	42,997
Computer expenses	14,543	-	14,543	12,566
Carried forward	1,770,688	-	1,770,688	1,538,482

This page does not form part of the statutory financial statements

Canto Learning Limited

**Detailed Statement of Financial Activities
for the year ended 31 July 2025**

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Charitable activities				
Brought forward	1,770,688	-	1,770,688	1,538,482
Freehold property depreciation	19,235	-	19,235	5,395
Short leasehold depreciation	6,679	-	6,679	5,612
Plant & machinery depreciation	5,157	-	5,157	3,763
Fixtures&fittings depreciation	7,539	-	7,539	6,416
Motor vehicles depreciation	4,634	-	4,634	5,462
Computer equipment	9,802	-	9,802	9,919
	<u>1,823,734</u>	<u>-</u>	<u>1,823,734</u>	<u>1,575,049</u>
Other				
Tuck shop costs	1,922	-	1,922	1,595
Avon costs	11,017	-	11,017	12,665
	<u>12,939</u>	<u>-</u>	<u>12,939</u>	<u>14,260</u>
Support costs				
Finance				
Bank charges	565	-	565	705
Mortgage	958	-	958	1,739
	<u>1,523</u>	<u>-</u>	<u>1,523</u>	<u>2,444</u>
Governance costs				
Auditors' remuneration	6,000	-	6,000	5,760
Accountancy and legal fees	5,110	-	5,110	5,460
	<u>11,110</u>	<u>-</u>	<u>11,110</u>	<u>11,220</u>
Total resources expended	<u>1,849,306</u>	<u>-</u>	<u>1,849,306</u>	<u>1,602,973</u>
Net income	<u>359,853</u>	<u>-</u>	<u>359,853</u>	<u>257,919</u>

This page does not form part of the statutory financial statements

CANTO LEARNING LIMITED

England & Wales - Charity number 1168455

Accounts

REGISTERED COMPANY NUMBER: 10094184 (England and Wales)
REGISTERED CHARITY NUMBER: 1168455

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 July 2024
for
Canto Learning Limited

Canto Learning Limited

Contents of the Financial Statements
for the year ended 31 July 2024

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 23

Report of the Trustees
for the year ended 31 July 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2024. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The Charity achieves the stated objective by continuing to successfully run the specialist establishment and by understanding those who access the provision, maintain the high standards in all work, continuing to striving for success, safe guarding those in the Charities care, and, ensuring equality, diversity and inclusion are promoted throughout the organisation.

Public benefit

All the Charity's activities are undertaken to further our charitable purpose for the benefit of the public. The trustees have had regard to the Charity Commission guidance on public benefit in section four of the Charities Act 2011. The main benefits which have arisen during the year from the organisations aims and activities are detailed in the following sections and in the financial review.

STRATEGIC REPORT

Achievement and performance

Review of the year's activities

The trustees are confident that the general balance between income, expenditure and reserves has remained satisfactory throughout the year, and that all resources have been used in an effective manner.

Much of the surplus shown in these accounts has been allocated to maintenance and upgrade of the premises and to funding planned growth of core provision.

Canto Learning Ltd continues to increase student provision for the benefit of those residing in Northamptonshire and surrounding areas. The good reputation of the organisation is seeing increasing demand across the geographical area for services, which is leading to organic growth of student numbers across both Adult Social Care and Education funded provision.

Ofsted's most recent inspection in 2023 judged the education provision to remain good and recognising the valuable work being undertaken. The in-year monitoring visit from West Northamptonshire County Council confirmed that the provision is meeting the needs of those who access it and that the provision was 100% compliant in all areas.

We have made significant progress throughout the year in relation to the key elements of our strategy, the board monitors the progress by reference to the following financial KPI's:

	2024	2023
Accumulated surplus	£1,603,750	£1,344,426
Wage cost as a % of incoming resources	67.8%	66.3%
Operating surplus %	13.9%	12.4%

Fundraising activities

The charity does not carry out significant fundraising activities, it does, however, undertake minor fundraising activities and social events aimed to give the young people who live with challenges arising from behavioural, emotional and social difficulties, a platform to express themselves and further their progression within the scope of the charities stated public benefit.

Report of the Trustees
for the year ended 31 July 2024

STRATEGIC REPORT

Financial review

Financial position

The Charity is satisfied with its financial position, it has healthy reserves which would maintain the charity for a period of time should activities be unexpectedly curtailed.

Principal funding sources

The principal funding sources are various local authorities in and around the Northamptonshire region and the EFSA, who enable the Charity to undertake its day to day activities and meet its stated objectives.

Investment policy and objectives

The investment policy of the charity is to put surplus funds into low risk investments with a view to generating a reasonable return while maintaining the security and accessibility of the funds. At the balance sheet date the company held fixed term deposits with its main bankers which could be accessed if needed.

Reserves policy

The nature of funding to the charity is such that payments are received in advance for various areas of the activities undertaken. These funds are reconcilable at the end of the academic year and, if unused, are at risk of being clawed back if the charity cannot demonstrate that the funds have been applied. Such 'at risk' funds are retained separately and only allocated to the finances of the charity as they are applied. It is from these applied funds that allocation is made to our reserves. Reserve funds are invested in an array interest bearing notice bank accounts to achieve a higher return, while keeping any downside risk to a minimum.

The trustees are satisfied that the amount of reserves remains at a healthy level and is being constantly monitored to ensure the long-term financial stability of the charity. At the balance sheet date, total reserves amounted to £2,343,882.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the charity is exposed, those relating to 'In Advance' payments which could be clawed back by the funding authorities. The trustees are satisfied that the measures in place adequately provide for any such risk that exists. Financial reports are completed and presented to each Board of Trustees meeting and satisfy the trustees that appropriate systems are in place to mitigate our exposure to all major risks.

Future plans

The Charity's future plan is to continue and develop the core provision of education and training to our SEN student groups and to add to our facilities in order to enhance further their learning experience and wellbeing.

Work continues to develop and upgrade the site by the addition of a further 2 room modular unit to increase the amount of student places available. Buildings essential maintenance continues and will be a constant feature of a planned renewal schedule for the next 5 years.

Increased students number has seen an increase in both Adult Social Care and Education funding for 2024/25.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The identification, recruitment and appointment of new trustees is done by the existing trustees, in particular the head of centre. These individuals are identified based upon their particular skills and knowledge, specifically, areas of weakness in the collective knowledge of the trustees is identified as part of the ongoing risk assessment, and the recruitment of a new trustees is targeted to help fill this knowledge gap.

The training of new trustees are conducted by existing trustees, by the head of centre, by attending ongoing CPD, and by spending time in and around the Canto Community.

Report of the Trustees
for the year ended 31 July 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10094184 (England and Wales)

Registered Charity number

1168455

Registered office

Willis House
Tonmead Road
Lumbertubs
Northampton
Northamptonshire
NN3 8HU

Trustees

Mrs C Dear
Mr P Burch
Mrs J Gadsden
Mrs A Fometu
Mr A M Billingham
Mrs M E Heron (resigned 19.7.2024)
Mrs T Davidson
Mr A R Sanders
Mr T J Goodridge

Auditors

Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Report of the Trustees
for the year ended 31 July 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Canto Learning Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 2015 (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;
- 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.

AUDITORS

The auditors, Cottons Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 10 February 2025 and signed on the board's behalf by:

Mr A M Billingham - Trustee

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Opinion

We have audited the financial statements of Canto Learning Limited (the 'charitable company') for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Canto Learning Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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

- We obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2022, Companies Act 2006 and UK Generally Accepted Accounting Practice.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and by observing the oversight of management, the culture of honesty and ethical behaviour and whether strong emphasis is placed on fraud prevention, which may reduce the opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud in the first instance. We corroborated our inquiries through our review of all relevant available audit information.
- We assessed and understood the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. The audit procedures performed by the engagement team included:
 - > Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
 - > Understanding of how senior management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - > Challenging assumptions and judgements made by management in its significant accounting estimates;
 - > Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and,
 - > Assessing the extent of compliance with relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Callum Veasey ACA (Senior Statutory Auditor)
for and on behalf of Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

Date:

Canto Learning Limited

**Statement of Financial Activities
for the year ended 31 July 2024**

	Notes	Unrestricted funds £	Restricted fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	859	-	859	7,979
Charitable activities					
Programme income	6	1,817,102	-	1,817,102	1,722,418
Other trading activities	4	30,466	-	30,466	25,474
Investment income	5	12,465	-	12,465	5,910
Total		<u>1,860,892</u>	<u>-</u>	<u>1,860,892</u>	<u>1,761,781</u>
EXPENDITURE ON					
Charitable activities					
Programme income	7	1,588,713	-	1,588,713	1,529,089
Other		14,260	-	14,260	13,530
Total		<u>1,602,973</u>	<u>-</u>	<u>1,602,973</u>	<u>1,542,619</u>
NET INCOME		257,919	-	257,919	219,162
RECONCILIATION OF FUNDS					
Total funds brought forward		2,085,963	-	2,085,963	1,866,801
TOTAL FUNDS CARRIED FORWARD		<u><u>2,343,882</u></u>	<u><u>-</u></u>	<u><u>2,343,882</u></u>	<u><u>2,085,963</u></u>

The notes form part of these financial statements

Canto Learning Limited (Registered number: 10094184)

**Balance Sheet
31 July 2024**

	Notes	Unrestricted funds £	Restricted fund £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	13	1,482,566	-	1,482,566	1,376,500
CURRENT ASSETS					
Stocks	14	650	-	650	650
Debtors	15	111,027	-	111,027	136,040
Cash at bank and in hand		866,847	-	866,847	702,092
		<u>978,524</u>	<u>-</u>	<u>978,524</u>	<u>838,782</u>
CREDITORS					
Amounts falling due within one year	16	(93,277)	-	(93,277)	(76,654)
NET CURRENT ASSETS		<u>885,247</u>	<u>-</u>	<u>885,247</u>	<u>762,128</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,367,813</u>	<u>-</u>	<u>2,367,813</u>	<u>2,138,628</u>
CREDITORS					
Amounts falling due after more than one year	17	(23,931)	-	(23,931)	(52,665)
NET ASSETS		<u>2,343,882</u>	<u>-</u>	<u>2,343,882</u>	<u>2,085,963</u>
FUNDS	20				
Unrestricted funds				<u>2,343,882</u>	<u>2,085,963</u>
TOTAL FUNDS				<u>2,343,882</u>	<u>2,085,963</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10 February 2025 and were signed on its behalf by:

Mr A M Billingham - Trustee

Mrs C Dear - Trustee

The notes form part of these financial statements

Canto Learning Limited

Cash Flow Statement
for the year ended 31 July 2024

Notes	2024 £	2023 £
Cash flows from operating activities		
Cash generated from operations	323,988	187,245
Interest paid	(1,739)	(3,554)
Net cash provided by operating activities	<u>322,249</u>	<u>183,691</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(142,633)	(72,314)
Interest received	12,465	5,910
Net cash used in investing activities	<u>(130,168)</u>	<u>(66,404)</u>
Cash flows from financing activities		
Loan repayments in year	(27,326)	(130,258)
Net cash used in financing activities	<u>(27,326)</u>	<u>(130,258)</u>
Change in cash and cash equivalents in the reporting period		
	<u>164,755</u>	<u>(12,971)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>702,092</u>	<u>715,063</u>
Cash and cash equivalents at the end of the reporting period	<u><u>866,847</u></u>	<u><u>702,092</u></u>

The notes form part of these financial statements

Canto Learning Limited

Notes to the Cash Flow Statement
for the year ended 31 July 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024	2023	
	£	£	
Net income for the reporting period (as per the Statement of Financial Activities)	257,919	219,162	
Adjustments for:			
Depreciation charges	36,567	47,948	
Interest received	(12,465)	(5,910)	
Interest paid	1,739	3,554	
Decrease in debtors	25,013	2,002	
Increase/(decrease) in creditors	15,215	(79,511)	
Net cash provided by operations	<u>323,988</u>	<u>187,245</u>	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.8.23	Cash flow	At 31.7.24
	£	£	£
Net cash			
Cash at bank and in hand	<u>702,092</u>	<u>164,755</u>	<u>866,847</u>
	<u>702,092</u>	<u>164,755</u>	<u>866,847</u>
Debt			
Debts falling due within 1 year	(26,633)	(1,410)	(28,043)
Debts falling due after 1 year	(52,665)	28,734	(23,931)
	<u>(79,298)</u>	<u>27,324</u>	<u>(51,974)</u>
Total	<u>622,794</u>	<u>192,079</u>	<u>814,873</u>

The notes form part of these financial statements

Canto Learning Limited

Notes to the Financial Statements for the year ended 31 July 2024

1. STATUTORY INFORMATION

Canto Learning Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's business address is Willis House, Tonmead Road, Lumbertubs, Northampton. NN3 8HU.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

Canto Learning Limited is an incorporated Charity in the United Kingdom. The nature of the charity's operations and principal activities are to advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) '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)'. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date the financial statements are authorised. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern, despite the current pandemic.

Critical accounting judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Valuation of fixed assets
- Valuation of deferred income
- Calculation of accruals
- Valuation of the capital reserve

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Canto Learning Limited

Notes to the Financial Statements - continued for the year ended 31 July 2024

2. ACCOUNTING POLICIES - continued

Income

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of education service funding. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost, excluding est. land value
Improvements to property	- 2% on cost

Canto Learning Limited

Notes to the Financial Statements - continued for the year ended 31 July 2024

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- 15% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2024**

3. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	859	7,979
	<u> </u>	<u> </u>

Income from fundraising activities was £859 of which £nil was attributable to capital reserve, £nil was attributable to endowments, £nil was attributable to restricted and £859 was attributable to unrestricted funds.

4. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Clothing income	7,140	6,580
Tuck shop income	1,769	1,682
Avon income	21,557	17,212
	<u> </u>	<u> </u>
	<u>30,466</u>	<u>25,474</u>

Income from other trading activities was £30,466 of which £nil was attributable to endowments, £nil was attributable to restricted and £30,466 was attributable to unrestricted funds.

5. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	12,465	5,910
	<u> </u>	<u> </u>

Income from investment activities was £12,465 of which £nil was attributable to endowments, £nil was attributable to restricted and £12,465 was attributable to unrestricted funds.

6. INCOME FROM CHARITABLE ACTIVITIES

		2024	2023
	Activity	£	£
Programme income	Programme income	756,771	646,365
Sundry income	Programme income	6,350	-
Grants	Programme income	1,053,981	1,076,053
		<u> </u>	<u> </u>
		<u>1,817,102</u>	<u>1,722,418</u>

Income from charitable activities was £1,817,102 of which £nil was attributable to endowments, £nil was attributable to restricted and £1,817,102 was attributable to unrestricted funds.

Grants received, included in the above, are as follows:

	2024	2023
	£	£
Government funding	1,053,981	1,076,053
	<u> </u>	<u> </u>

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2024**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Programme income	1,575,049	13,664	1,588,713

The charity has only one activity, and all expenditure is incurred in furtherance of that activity. The allocation of support costs is all allocated to one activity of the charity.

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Programme income	2,444	11,220	13,664

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Auditors' remuneration	5,760	4,800
Depreciation - owned assets	36,567	47,949

10. TRUSTEES' REMUNERATION AND BENEFITS

	2024 £	2023 £
Trustees' salaries	83,959	77,179
Trustees' social security	8,723	8,817
Trustees' pensions paid	2,439	2,221
	<u>95,121</u>	<u>88,217</u>

The two Trustees for which remuneration is paid are Mrs. J. Gadsden and Mrs C. Dear. Both trustees are also accruing pension contributions under the charities auto enrolment obligation.

The charity has legal authority within its memorandum and articles of association to pay remuneration to Trustees, and this has been agreed with the Charities Commission. The remuneration was paid, not for the role of Trustee, but for the job undertaken within the Charity.

The charity considers that only its trustees are considered key management personnel and their remuneration is disclosed above.

The charity did reimburse expenses to trustees; the amount reimbursed is disclosed below and related to travel and subsistence payments. There was only one trustee who received reimbursed expenses.

Trustees' expenses

	2024 £	2023 £
Trustees' expenses	2,805	2,464

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2024**

11. STAFF COSTS AND TRUSTEES

	2024	2023
	£	£
Wages and salaries	1,148,362	1,064,662
Social security costs	85,842	76,635
Other pension costs	28,404	26,145
	1,262,608	1,167,442

The average monthly number of employees during the year was as follows:

	2024	2023
Employed Trustees	2	2
Other, Non-Salaried, Trustees	7	7
Leadership Team	5	6
Teaching Staff	12	17
Support Staff	28	14
Administrative Staff	6	6
	60	52

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£70,001 - £80,000	1	1

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	7,979	-	7,979
Charitable activities			
Programme income	1,722,418	-	1,722,418
Other trading activities	25,474	-	25,474
Investment income	5,910	-	5,910
Total	1,761,781	-	1,761,781
EXPENDITURE ON			
Charitable activities			
Programme income	1,529,089	-	1,529,089
Other	13,530	-	13,530
Total	1,542,619	-	1,542,619
NET INCOME	219,162	-	219,162
RECONCILIATION OF FUNDS			
Total funds brought forward	1,866,801	-	1,866,801

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2024**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
TOTAL FUNDS CARRIED FORWARD	2,085,963	-	2,085,963

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 August 2023	1,134,748	267,972	48,973
Additions	-	114,066	365
At 31 July 2024	1,134,748	382,038	49,338
DEPRECIATION			
At 1 August 2023	110,015	13,681	31,569
Charge for year	5,395	5,612	3,763
At 31 July 2024	115,410	19,293	35,332
NET BOOK VALUE			
At 31 July 2024	1,019,338	362,745	14,006
At 31 July 2023	1,024,733	254,291	17,404

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 August 2023	44,496	37,902	71,134	1,605,225
Additions	20,095	-	8,107	142,633
At 31 July 2024	64,591	37,902	79,241	1,747,858
DEPRECIATION				
At 1 August 2023	29,416	10,592	33,452	228,725
Charge for year	6,416	5,462	9,919	36,567
At 31 July 2024	35,832	16,054	43,371	265,292
NET BOOK VALUE				
At 31 July 2024	28,759	21,848	35,870	1,482,566
At 31 July 2023	15,080	27,310	37,682	1,376,500

No depreciation was provided on the estimated land value of £173,000 which is included in the total cost at the start of the year.

At the balance sheet date the Charity was committed to the purchase of capital assets totalling £84,510. All assets are used within the Charity for the benefit of the charitable purpose.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2024**

14. STOCKS	2024 £	2023 £
Stocks	650	650
<hr/>		
15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024 £	2023 £
Trade debtors	20,197	77,452
Other debtors	250	4,789
Prepayments and accrued income	90,580	53,799
	<hr/>	<hr/>
	111,027	136,040
<hr/>		
16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024 £	2023 £
Bank loans and overdrafts (see note 18)	28,043	26,633
Trade creditors	2,263	3,861
Social security and other taxes	21,581	22,238
Other creditors	29,803	8,013
Accruals and deferred income	11,587	15,909
	<hr/>	<hr/>
	93,277	76,654
<hr/>		

Government grant income for the forthcoming academic year is paid up front and subject to potential clawback at the end of the period.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2024 £	2023 £
Bank loans (see note 18)	23,931	52,665
	<hr/>	<hr/>

18. LOANS

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year on demand:		
Bank loans	28,043	26,633
	<hr/>	<hr/>
Amounts falling between one and two years:		
Bank loans - 1-2 years	23,931	27,324
	<hr/>	<hr/>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	25,341
	<hr/>	<hr/>

The company has one long term loan, bearing a fixed interest rate of 2.00% above base rate.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2024**

19. SECURED DEBTS

The following secured debts are included within creditors:

	2024 £	2023 £
Bank loans	<u>51,974</u>	<u>79,298</u>

There are two charges in relation to the loan monies outstanding both in favour of Lloyds Bank Plc, one over the property known as Willis House, and the other over all other assets of the Charity.

20. MOVEMENT IN FUNDS

	At 1.8.23 £	Net movement in funds £	Transfers between funds £	At 31.7.24 £
Unrestricted funds				
General Fund	1,344,426	257,919	1,405	1,603,750
Capital Reserve	741,537	-	(1,405)	740,132
	<u>2,085,963</u>	<u>257,919</u>	<u>-</u>	<u>2,343,882</u>
TOTAL FUNDS	<u>2,085,963</u>	<u>257,919</u>	<u>-</u>	<u>2,343,882</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,860,892	(1,602,973)	257,919
TOTAL FUNDS	<u>1,860,892</u>	<u>(1,602,973)</u>	<u>257,919</u>

Comparatives for movement in funds

	At 1.8.22 £	Net movement in funds £	Transfers between funds £	At 31.7.23 £
Unrestricted funds				
General Fund	1,108,785	219,162	16,479	1,344,426
Capital Reserve	758,016	-	(16,479)	741,537
	<u>1,866,801</u>	<u>219,162</u>	<u>-</u>	<u>2,085,963</u>
TOTAL FUNDS	<u>1,866,801</u>	<u>219,162</u>	<u>-</u>	<u>2,085,963</u>

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2024**

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,761,781	(1,542,619)	219,162
TOTAL FUNDS	<u>1,761,781</u>	<u>(1,542,619)</u>	<u>219,162</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.22 £	Net movement in funds £	Transfers between funds £	At 31.7.24 £
Unrestricted funds				
General Fund	1,108,785	477,081	17,884	1,603,750
Capital Reserve	758,016	-	(17,884)	740,132
	<u>1,866,801</u>	<u>477,081</u>	<u>-</u>	<u>2,343,882</u>
TOTAL FUNDS	<u>1,866,801</u>	<u>477,081</u>	<u>-</u>	<u>2,343,882</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	3,622,673	(3,145,592)	477,081
TOTAL FUNDS	<u>3,622,673</u>	<u>(3,145,592)</u>	<u>477,081</u>

Transfers between funds

The Capital Reserve is released over the life of the related asset, allocating the transfer of fund against the depreciation charge with Unrestricted Funds.

Canto Learning Limited

Notes to the Financial Statements - continued
for the year ended 31 July 2024

21. EMPLOYEE BENEFIT OBLIGATIONS

The company operates defined contribution, auto enrolment retirement benefit schemes for all its qualifying employees. The total expense charged to profit or loss in the period ended 31st July 2024 was £30,843 (2023: £28,366). The amount owed to the pension schemes at the year-end was £Nil (2023: £5,667).

22. RELATED PARTY DISCLOSURES

The Director, Mr. A. Billingham, is also a Partner of Clifford Roberts Chartered Accountants, who provided accountancy services to the Charity. Included within accountancy costs are amounts totalling £4,380 paid to Clifford Roberts in respect of accountancy services conducted at arm's length by other members of the firm. At the year-end there was an unsecured credit balance outstanding of £Nil (2023: £Nil).

23. AUDITOR LIABILITY LIMITATION AGREEMENT

The company has entered into a liability limitation agreement with its auditors and this agreement was approved by resolution dated 10th October 2024.

Liability is limited to the lesser of 20 times the audit fee or £100,000. In accordance with section 537 of Companies Act 2006, the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable, as determined by that section, the agreement shall have the effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of the financial statements of the company for the year ended 31st July 2024.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws or regulations.

24. POST BALANCE SHEET EVENTS

There are no events after the period end that requires reporting on, other than the capital commitment disclosed within note 13.

25. FINANCIAL RISK MANAGEMENT

The company has some exposure to credit, liquidity and cashflow interest rate risks, these risks are limited by the company's financial management policies and practices described below.

Credit risk

The company offer credit terms to its customers which allows payment of the debt at a future specified time. The company mitigates this risk by maintaining strong customer relationships and regular analysis its sales ledger for troubled customers.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. Currently based on the cash reserves this is not deemed a significant risk.

Interest rate risk

The company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. Apart from the Long-term loan the company does not have significant interest-bearing assets and liabilities. Fixed rate terms are agreed when considered favourable to mitigate risk.

The company holds no derivative financial instruments at the year end.

CANTO LEARNING LIMITED

England & Wales - Charity number 1168455

Accounts

REGISTERED COMPANY NUMBER: 10094184 (England and Wales)
REGISTERED CHARITY NUMBER: 1168455

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 July 2023
for
Canto Learning Limited

Canto Learning Limited

Contents of the Financial Statements
for the year ended 31 July 2023

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 23

Canto Learning Limited (Registered number: 10094184)

Report of the Trustees
for the year ended 31 July 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2023. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The Charity achieves the stated objective by continuing to successfully run the specialist establishment and by understanding those who access the provision, maintain the high standards in all work, continuing to striving for success, safe guarding those in the Charities care, and, ensuring equality, diversity and inclusion are promoted throughout the organisation.

Public benefit

All the Charity's activities are undertaken to further our charitable purpose for the benefit of the public. The trustees have had regard to the Charity Commission guidance on public benefit in section four of the Charities Act 2011. The main benefits which have arisen during the year from the organisations aims and activities are detailed in the following sections and in the financial review.

STRATEGIC REPORT

Achievement and performance

Review of the year's activities

The trustees are confident that the general balance between income, expenditure and reserves has remained satisfactory throughout the year, and that all resources have been used in an effective manner.

Much of the surplus shown in these accounts has been allocated to maintenance and upgrade of the premises and to funding planned growth of core provision.

Canto Learning Ltd continues to increase student provision for the benefit of those residing in Northamptonshire and surrounding areas. The good reputation of the organisation is seeing increasing demand across the geographical area for services, which is leading to organic growth of student numbers particularly those funded via Adult Social Care.

Ofsted inspected the education provision during the year judging it to remain good and recognising the valuable work being undertaken. The in-year monitoring visit from West Northamptonshire County Council confirmed that the provision is meeting the needs of those who access it. These inspections, together with ongoing monitoring of non-financial KPIs, such as annual staff and student satisfaction survey, act as a barometer as to the success of the Charity in carrying out its objectives.

Due to the nature of the funding of the teaching, provision, where necessary, is made in the accounts for potential clawback, however 2022/23 saw growth payments being received and so no provision has been included.

We have made significant progress throughout the year in relation to the key elements of our strategy, the board monitors the progress by reference to the following financial KPI's:

	2023	2022
Accumulated surplus	£1,344,426	£1,108,785
Wage cost as a % of incoming resources	66.3%	56.2%
Operating surplus %	12.4%	15.5%

Report of the Trustees
for the year ended 31 July 2023

STRATEGIC REPORT

Achievement and performance

Fundraising activities

The charity does not carry out significant fundraising activities, it does, however, undertake minor fundraising activities and social events aimed to give the young people who live with challenges arising from behavioural, emotional and social difficulties, a platform to express themselves and further their progression within the scope of the charities stated public benefit.

Financial review

Financial position

The Charity is satisfied with its financial position, it has healthy reserves which would maintain the charity for a period of time should activities be unexpectedly curtailed.

Principal funding sources

The principal funding sources are various local authorities in and around the Northamptonshire region and the EFSA, who enable the Charity to undertake its day to day activities and meet its stated objectives.

Investment policy and objectives

The investment policy of the charity is to put surplus funds into low risk investments with a view to generating a reasonable return while maintaining the security and accessibility of the funds. At the balance sheet date the company held fixed term deposits with its main bankers which could be accessed if needed.

Reserves policy

The nature of funding to the charity is such that payments are received in advance for various areas of the activities undertaken. These funds are reconcilable at the end of the academic year and, if unused, are at risk of being clawed back if the charity cannot demonstrate that the funds have been applied. Such 'at risk' funds are retained separately and only allocated to the finances of the charity as they are applied. It is from these applied funds that allocation is made to our reserves. Reserve funds are invested in an array interest bearing notice bank accounts to achieve a higher return, while keeping any downside risk to a minimum.

The trustees are satisfied that the amount of reserves remains at a healthy level and is being constantly monitored to ensure the long-term financial stability of the charity. At the balance sheet date, total reserves amounted to £2,085,963.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the charity is exposed, those relating to 'In Advance' payments which could be clawed back by the funding authorities. The trustees are satisfied that the measures in place adequately provide for any such risk that exists. Financial reports are completed and presented to each Board of Trustees meeting and satisfy the trustees that appropriate systems are in place to mitigate our exposure to all major risks.

Future plans

The Charity's future plan is to continue and develop the core provision of education and training to our SEN student groups and to add to our facilities in order to enhance further their learning experience and wellbeing.

Work continues to develop the on-site work centre, coffee shop and meeting room and although the main focus remains is to deliver work experience in-house rather than using third parties, enriching the experience for students in a cost-effective manner in the main focus. Buildings essential maintenance continues and will be a constant feature of a planned renewal schedule for the next 5 years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Report of the Trustees
for the year ended 31 July 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The identification, recruitment and appointment of new trustees is done by the existing trustees, in particular the head of centre. These individuals are identified based upon their particular skills and knowledge, specifically, areas of weakness in the collective knowledge of the trustees is identified as part of the ongoing risk assessment, and the recruitment of a new trustees is targeted to help fill this knowledge gap.

The training of new trustees are conducted by existing trustees, by the head of centre, by attending ongoing CPD, and by spending time in and around the Canto Community.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10094184 (England and Wales)

Registered Charity number

1168455

Registered office

Willis House
Tonmead Road
Lumbertubs
Northampton
Northamptonshire
NN3 8HU

Trustees

Mrs C Dear
Mr A M Hanning (resigned 31.12.2022)
Mr P Burch
Mrs J Gadsden
Mrs A Fometu
Mr A M Billingham
Mrs M E Heron
Mr R Nutt (resigned 31.12.2022)
Mrs T Davidson
Mr A R Sanders (appointed 26.9.2022)
Mr T J Goodridge (appointed 30.1.2023)

Auditors

Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Report of the Trustees
for the year ended 31 July 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Canto Learning Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 2015 (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;
- 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.

AUDITORS

The auditors, Cottons Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21 December 2023 and signed on the board's behalf by:

Mr A M Billingham - Trustee

Report of the Independent Auditors to the Members of Canto Learning Limited

Opinion

We have audited the financial statements of Canto Learning Limited (the 'charitable company') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of Canto Learning Limited

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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

- We obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2022, Companies Act 2006 and UK Generally Accepted Accounting Practice.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and by observing the oversight of management, the culture of honesty and ethical behaviour and whether strong emphasis is placed on fraud prevention, which may reduce the opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud in the first instance. We corroborated our inquiries through our review of all relevant available audit information.
- We assessed and understood the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. The audit procedures performed by the engagement team included:
 - > Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
 - > Understanding of how senior management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - > Challenging assumptions and judgements made by management in its significant accounting estimates;
 - > Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and,
 - > Assessing the extent of compliance with relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Callum Veasey ACA (Senior Statutory Auditor)
for and on behalf of Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

21 December 2023

Canto Learning Limited

**Statement of Financial Activities
for the year ended 31 July 2023**

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	7,979	-	7,979	2,944
Charitable activities					
Programme income	6	1,722,418	-	1,722,418	1,509,724
Other trading activities	4	25,474	-	25,474	21,995
Investment income	5	5,910	-	5,910	166
Total		<u>1,761,781</u>	<u>-</u>	<u>1,761,781</u>	<u>1,534,829</u>
EXPENDITURE ON					
Charitable activities					
Programme income	7	1,529,089	-	1,529,089	1,284,342
Other		13,530	-	13,530	12,884
Total		<u>1,542,619</u>	<u>-</u>	<u>1,542,619</u>	<u>1,297,226</u>
NET INCOME		219,162	-	219,162	237,603
RECONCILIATION OF FUNDS					
Total funds brought forward		1,866,801	-	1,866,801	1,629,198
TOTAL FUNDS CARRIED FORWARD		<u><u>2,085,963</u></u>	<u><u>-</u></u>	<u><u>2,085,963</u></u>	<u><u>1,866,801</u></u>

The notes form part of these financial statements

Canto Learning Limited (Registered number: 10094184)

Balance Sheet
31 July 2023

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	13	1,376,500	-	1,376,500	1,352,135
CURRENT ASSETS					
Stocks	14	650	-	650	650
Debtors	15	136,040	-	136,040	138,042
Cash at bank and in hand		702,092	-	702,092	715,063
		<u>838,782</u>	<u>-</u>	<u>838,782</u>	<u>853,755</u>
CREDITORS					
Amounts falling due within one year	16	(76,654)	-	(76,654)	(183,198)
		<u>762,128</u>	<u>-</u>	<u>762,128</u>	<u>670,557</u>
NET CURRENT ASSETS					
		<u>762,128</u>	<u>-</u>	<u>762,128</u>	<u>670,557</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,138,628</u>	<u>-</u>	<u>2,138,628</u>	<u>2,022,692</u>
CREDITORS					
Amounts falling due after more than one year	17	(52,665)	-	(52,665)	(155,891)
		<u>2,085,963</u>	<u>-</u>	<u>2,085,963</u>	<u>1,866,801</u>
NET ASSETS		<u>2,085,963</u>	<u>-</u>	<u>2,085,963</u>	<u>1,866,801</u>
FUNDS	20				
Unrestricted funds				<u>2,085,963</u>	<u>1,866,801</u>
TOTAL FUNDS				<u>2,085,963</u>	<u>1,866,801</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 December 2023 and were signed on its behalf by:

Mr A M Billingham - Trustee

Mrs C Dear - Trustee

The notes form part of these financial statements

Canto Learning Limited

Cash Flow Statement
for the year ended 31 July 2023

Notes	2023 £	2022 £
Cash flows from operating activities		
Cash generated from operations	187,245	352,663
Interest paid	(3,554)	(6,196)
Net cash provided by operating activities	<u>183,691</u>	<u>346,467</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(72,314)	(140,358)
Sale of tangible fixed assets	-	200
Interest received	5,910	166
Net cash used in investing activities	<u>(66,404)</u>	<u>(139,992)</u>
Cash flows from financing activities		
Loan repayments in year	(130,258)	(57,521)
Net cash used in financing activities	<u>(130,258)</u>	<u>(57,521)</u>
Change in cash and cash equivalents in the reporting period		
	(12,971)	148,954
Cash and cash equivalents at the beginning of the reporting period	<u>715,063</u>	<u>566,109</u>
Cash and cash equivalents at the end of the reporting period	<u><u>702,092</u></u>	<u><u>715,063</u></u>

The notes form part of these financial statements

Canto Learning Limited

Notes to the Cash Flow Statement
for the year ended 31 July 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	219,162	237,603
Adjustments for:		
Depreciation charges	47,948	46,494
Loss on disposal of fixed assets	-	756
Interest received	(5,910)	(166)
Interest paid	3,554	6,196
Decrease/(increase) in debtors	2,002	(11,803)
(Decrease)/increase in creditors	(79,511)	73,583
Net cash provided by operations	<u>187,245</u>	<u>352,663</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.22	Cash flow	At 31.7.23
	£	£	£
Net cash			
Cash at bank and in hand	715,063	(12,971)	702,092
	<u>715,063</u>	<u>(12,971)</u>	<u>702,092</u>
Debt			
Debts falling due within 1 year	(53,666)	27,033	(26,633)
Debts falling due after 1 year	(155,891)	103,226	(52,665)
	<u>(209,557)</u>	<u>130,259</u>	<u>(79,298)</u>
Total	<u>505,506</u>	<u>117,288</u>	<u>622,794</u>

The notes form part of these financial statements

Canto Learning Limited

Notes to the Financial Statements **for the year ended 31 July 2023**

1. STATUTORY INFORMATION

Canto Learning Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's business address is Willis House, Tonmead Road, Lumbertubs, Northampton. NN3 8HU.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

Canto Learning Limited is an incorporated Charity in the United Kingdom. The nature of the charity's operations and principal activities are to advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) '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)'. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date the financial statements are authorised. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern, despite the current pandemic.

Critical accounting judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Valuation of fixed assets
- Valuation of deferred income
- Calculation of accruals
- Valuation of the capital reserve

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2023**

2. ACCOUNTING POLICIES - continued

Income

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of education service funding. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost, excluding est. land value
Improvements to property	- 2% on cost

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2023**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- 15% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2023**

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	7,979	2,944

Income from fundraising activities was £7,979 of which £nil was attributable to capital reserve, £nil was attributable to endowments, £nil was attributable to restricted and £7,979 was attributable to unrestricted funds.

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Clothing income	6,580	5,512
Tuck shop income	1,682	2,314
Avon income	17,212	14,169
	<u>25,474</u>	<u>21,995</u>

Income from other trading activities was £25,474 of which £nil was attributable to endowments, £nil was attributable to restricted and £25,474 was attributable to unrestricted funds.

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	5,910	166

Income from investment activities was £5,910 of which £nil was attributable to endowments, £nil was attributable to restricted and £5,910 was attributable to unrestricted funds.

6. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Programme income	646,365	626,723
Grants	1,076,053	883,001
	<u>1,722,418</u>	<u>1,509,724</u>

Income from charitable activities was £1,722,418 of which £nil was attributable to endowments, £nil was attributable to restricted and £1,722,418 was attributable to unrestricted funds.

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Government funding	1,076,053	883,001

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2023**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Programme income	1,515,063	14,026	1,529,089

The charity has only one activity, and all expenditure is incurred in furtherance of that activity. The allocation of support costs is all allocated to one activity of the charity.

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Programme income	4,366	9,660	14,026

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	4,800	4,800
Depreciation - owned assets	47,949	46,493
Deficit on disposal of fixed assets	-	756

10. TRUSTEES' REMUNERATION AND BENEFITS

	2023 £	2022 £
Trustees' salaries	77,179	75,986
Trustees' social security	8,817	7,600
Trustees' pensions paid	2,221	2,222

The two Trustees for which remuneration is paid are Mrs. J. Gadsden and Mrs C. Dear. Both trustees are also accruing pension contributions under the charities auto enrolment obligation.

The charity has legal authority within its memorandum and articles of association to pay remuneration to Trustees, and this has been agreed with the Charities Commission. The remuneration was paid, not for the role of Trustee, but for the job undertaken within the Charity.

The charity considers that only its trustees are considered key management personnel and their remuneration is disclosed above.

The charity did reimburse expenses to trustees; the amount reimbursed is disclosed below and related to travel and subsistence payments. There was only one trustee who received reimbursed expenses.

Trustees' expenses

	2023 £	2022 £
Trustees' expenses	2,464	401

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2023**

11. STAFF COSTS AND TRUSTEES

	2023	2022
	£	£
Wages and salaries	1,064,662	863,862
Social security costs	76,635	58,523
Other pension costs	26,145	21,013
	1,167,442	943,398

The average monthly number of employees during the year was as follows:

	2023	2022
Employed Trustees	2	2
Other, Non-Salaried, Trustees	7	7
Leadership Team	6	6
Teaching Staff	17	17
Support Staff	14	14
Administrative Staff	6	6
	52	52

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£70,001 - £80,000	1	1

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,944	-	2,944
Charitable activities			
Programme income	1,509,724	-	1,509,724
Other trading activities	21,995	-	21,995
Investment income	166	-	166
Total	1,534,829	-	1,534,829
EXPENDITURE ON			
Charitable activities			
Programme income	1,284,342	-	1,284,342
Other	12,884	-	12,884
Total	1,297,226	-	1,297,226
NET INCOME	237,603	-	237,603
RECONCILIATION OF FUNDS			
Total funds brought forward	1,629,198	-	1,629,198

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2023**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
TOTAL FUNDS CARRIED FORWARD	1,866,801	-	1,866,801

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 August 2022	1,134,748	228,089	35,402
Additions	-	39,883	13,571
	1,134,748	267,972	48,973
DEPRECIATION			
At 1 August 2022	90,779	8,780	28,726
Charge for year	19,236	4,901	2,843
	110,015	13,681	31,569
NET BOOK VALUE			
At 31 July 2023	1,024,733	254,291	17,404
At 31 July 2022	1,043,969	219,309	6,676

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 August 2022	39,957	37,902	56,813	1,532,911
Additions	4,539	-	14,321	72,314
	44,496	37,902	71,134	1,605,225
DEPRECIATION				
At 1 August 2022	24,247	3,765	24,479	180,776
Charge for year	5,169	6,827	8,973	47,949
	29,416	10,592	33,452	228,725
NET BOOK VALUE				
At 31 July 2023	15,080	27,310	37,682	1,376,500
At 31 July 2022	15,710	34,137	32,334	1,352,135

No depreciation was provided on the estimated land value of £173,000 which is included in the total cost at the start of the year.

All assets are used within the Charity for the benefit of the charitable purpose.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2023**

14. STOCKS

	2023	2022
	£	£
Stocks	650	650
	<u>650</u>	<u>650</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	77,452	94,144
Bad debt provision	-	(1,709)
Other debtors	4,789	-
Prepayments and accrued income	53,799	45,607
	<u>136,040</u>	<u>138,042</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 18)	26,633	53,666
Trade creditors	3,861	4,481
Social security and other taxes	22,238	18,576
Other creditors	8,013	7,150
Accruals and deferred income	15,909	79,401
Deferred government grants	-	19,924
	<u>76,654</u>	<u>183,198</u>

Government grant income for the forthcoming academic year is paid up front and subject to potential clawback at the end of the period. The deferred government grant balance represents the monies received which the charity has not yet earned through carrying out its charitable activity, however, at the balance sheet date the directors' believed that all income received had been earned and that there should not be a clawback.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 18)	52,665	155,891
	<u>52,665</u>	<u>155,891</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	26,633	53,666
	<u>26,633</u>	<u>53,666</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	27,324	54,357
	<u>27,324</u>	<u>54,357</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	25,341	101,534
	<u>25,341</u>	<u>101,534</u>

The company has two long term loans, one at a fixed rate and one at a variable rate, bearing interest at rates of 3.77% and 2.00% above base rate, respectively.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2023**

19. SECURED DEBTS

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	<u>79,298</u>	<u>209,557</u>

There are two charges in relation to the loan monies outstanding both in favour of Lloyds Bank Plc, one over the property known as Willis House, and the other over all other assets of the Charity.

20. MOVEMENT IN FUNDS

	At 1.8.22 £	Net movement in funds £	Transfers between funds £	At 31.7.23 £
Unrestricted funds				
General Fund	1,108,785	219,162	16,479	1,344,426
Capital Reserve	758,016	-	(16,479)	741,537
	<u>1,866,801</u>	<u>219,162</u>	<u>-</u>	<u>2,085,963</u>
TOTAL FUNDS	<u>1,866,801</u>	<u>219,162</u>	<u>-</u>	<u>2,085,963</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,761,781	(1,542,619)	219,162
	<u>1,761,781</u>	<u>(1,542,619)</u>	<u>219,162</u>
TOTAL FUNDS	<u>1,761,781</u>	<u>(1,542,619)</u>	<u>219,162</u>

Comparatives for movement in funds

	At 1.8.21 £	Net movement in funds £	Transfers between funds £	At 31.7.22 £
Unrestricted funds				
General Fund	854,703	237,603	16,479	1,108,785
Capital Reserve	774,495	-	(16,479)	758,016
	<u>1,629,198</u>	<u>237,603</u>	<u>-</u>	<u>1,866,801</u>
TOTAL FUNDS	<u>1,629,198</u>	<u>237,603</u>	<u>-</u>	<u>1,866,801</u>

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2023**

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,534,829	(1,297,226)	237,603
TOTAL FUNDS	<u>1,534,829</u>	<u>(1,297,226)</u>	<u>237,603</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.21 £	Net movement in funds £	Transfers between funds £	At 31.7.23 £
Unrestricted funds				
General Fund	854,703	456,765	32,958	1,344,426
Capital Reserve	774,495	-	(32,958)	741,537
	<u>1,629,198</u>	<u>456,765</u>	<u>-</u>	<u>2,085,963</u>
TOTAL FUNDS	<u>1,629,198</u>	<u>456,765</u>	<u>-</u>	<u>2,085,963</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	3,296,610	(2,839,845)	456,765
TOTAL FUNDS	<u>3,296,610</u>	<u>(2,839,845)</u>	<u>456,765</u>

Transfers between funds

The Capital Reserve is released over the life of the related asset, allocating the transfer of fund against the depreciation charge with Unrestricted Funds.

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2023**

21. EMPLOYEE BENEFIT OBLIGATIONS

The company operates defined contribution, auto enrolment retirement benefit schemes for all its qualifying employees. The total expense charged to profit or loss in the period ended 31st July 2023 was £28,366 (2022: £23,235). The amount owed to the pension schemes at the year-end was £5,667 (2022: £4,996).

22. RELATED PARTY DISCLOSURES

The Director, Mr. A. Billingham, is also a Partner of Clifford Roberts Chartered Accountants, who provided accountancy services to the Charity. Included within accountancy costs are amounts totalling £4,440 paid to Clifford Roberts in respect of accountancy services conducted at arm's length by other members of the firm. At the year-end there was an unsecured credit balance outstanding of £Nil (2022: £Nil).

23. AUDITOR LIABILITY LIMITATION AGREEMENT

The company has entered into a liability limitation agreement with its auditors and this agreement was approved by resolution dated 15th December, 2023.

Liability is limited to the lesser of 20 times the audit fee or £96,000. In accordance with section 537 of Companies Act 2006, the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable, as determined by that section, the agreement shall have the effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of the financial statements of the company for the year ended 31st July 2023.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws or regulations.

24. POST BALANCE SHEET EVENTS

There are no events after the period end that requires reporting on.

25. FINANCIAL RISK MANAGEMENT

The company has some exposure to credit, liquidity and cashflow interest rate risks, these risks are limited by the company's financial management policies and practices described below.

Credit risk

The company offer credit terms to its customers which allows payment of the debt at a future specified time. The company mitigates this risk by maintaining strong customer relationships and regular analysis its sales ledger for troubled customers.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. Currently based on the cash reserves this is not deemed a significant risk.

Interest rate risk

The company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. Apart from the Long-term loan the company does not have significant interest-bearing assets and liabilities. Fixed rate terms are agreed when considered favourable to mitigate risk.

The company holds no derivative financial instruments at the year end.

CANTO LEARNING LIMITED

England & Wales - Charity number 1168455

Accounts

REGISTERED COMPANY NUMBER: 10094184 (England and Wales)
REGISTERED CHARITY NUMBER: 1168455

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 July 2022
for
Canto Learning Limited

Canto Learning Limited

Contents of the Financial Statements
for the year ended 31 July 2022

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 24
Detailed Statement of Financial Activities	25 to 26

Canto Learning Limited (Registered number: 10094184)

Report of the Trustees
for the year ended 31 July 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

Public benefit

All the Charity's activities are undertaken to further our charitable purpose for the benefit of the public. The trustees have had regard to the Charity Commission guidance on public benefit in section four of the Charities Act 2011. The main benefits which have arisen during the year from the organisations aims and activities are detailed in the following sections and in the financial review.

STRATEGIC REPORT

Achievement and performance

The trustees are confident that the general balance between income, expenditure and reserves has remained satisfactory throughout the year, and that the costs to manage Covid-19 continue to be deployed effectively.

Much of the surplus shown in these accounts has been allocated to maintenance and upgrade of the premises and to funding planned growth of core provision.

Canto Learning Ltd continues to increase student provision for the benefit of those residing in Northamptonshire and surrounding areas. The good reputation of the organisation is seeing continued demand across the geographical area for services, which is leading to organic growth of student numbers particularly from Social Care.

Despite the disruption of Covid 19, the Leadership Team has managed the disruption well by keeping teaching and learning going through remote and online delivery and by restructuring the building into teaching bubbles to keep students and staff as safe as possible during onsite teaching delivery. Environmental Health has inspected the teaching arrangements onsite and has commended arrangements. This has come at some considerable costs for PPE, Perspex screening, signage, deep cleaning and sanitisation, but the Board has seen this as essential and has funded these unforeseen costs from budgeted contingency funds,

Due to the nature of the funding of the teaching, provision is made in the accounts for potential clawback. For 21/22 this has been managed effectively and the return of funding is within tolerance.

We have made significant progress throughout the year in relation to the key elements of our strategy, the board monitors the progress by reference to the following financial KPI's:

	2022	2021
Accumulated surplus	£1,108,785	£854,703
Wage cost as a % of incoming resources	56.2%	58.8%
Operating surplus %	15.5%	13.9%

In addition the board monitors non-financial KPIs, such as staff and student satisfaction, by way of annual survey, the results for which are discussed as part of the board meeting.

Report of the Trustees
for the year ended 31 July 2022

STRATEGIC REPORT

Financial review

Reserves policy

The nature of funding to the charity is such that payments are received in advance for various areas of the activities undertaken. These funds are reconcilable at the end of the academic year and, if unused, are at risk of being clawed back if the charity cannot demonstrate that the funds have been applied. Such 'at risk' funds are retained separately and only allocated to the finances of the charity as they are applied. It is from these applied funds that allocation is made to our reserves. Reserve funds are invested in a '32 Day Notice' account which yields higher interest but is fully secure.

The trustees are satisfied that the amount of reserves remains at a healthy level and is being constantly monitored to ensure the long-term financial stability of the charity.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the charity is exposed, those relating to 'In Advance' payments which could be clawed back by the funding authorities. The trustees are satisfied that the measures in place adequately provide for any such risk that exists. Financial reports are completed and presented to each Board of Trustees meeting and satisfy the trustees that appropriate systems are in place to mitigate our exposure to all major risks.

Future plans

The Charity's future plan is to continue and develop the core provision of education and training to our SEN student groups and to add to our facilities in order to enhance further their learning experience and wellbeing

As Covid-19 reduces, CANTO will look to recover areas that have been affected over the past 18+ months. The new on-site work centre, coffee shop and meeting room that just opened pre-pandemic provides additional future opportunity and scope to deliver work experience in-house rather than using third parties, enriching the experience for students in a cost effective manner. Buildings essential maintenance continues and will be a constant feature of a planned renewal schedule for the next 5 years, with a longer term ambition of adding to the building to include a performance and arts block.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10094184 (England and Wales)

Registered Charity number

1168455

Registered office

Willis House
Tonmead Road
Lumbertubs
Northampton
Northamptonshire
NN3 8HU

Report of the Trustees
for the year ended 31 July 2022

Trustees

Mrs C Dear
Mr A M Hanning (resigned 31.12.2022)
Mr P Burch
Mrs J Gadsden
Mrs A Fometu
Mr A M Billingham
M E Heron
Mr R Nutt (resigned 31.12.2022)
Mrs T Davidson (appointed 23.5.2022)
Mr A R Sanders (appointed 26.9.2022)
Mr T J Goodridge (appointed 30.1.2023)

Auditors

Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Canto Learning Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 2015 (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;
- 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.

AUDITORS

The auditors, Cottons Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Canto Learning Limited (Registered number: 10094184)

Report of the Trustees
for the year ended 31 July 2022

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:

.....
Mr A M Billingham - Trustee

Report of the Independent Auditors to the Members of Canto Learning Limited

Opinion

We have audited the financial statements of Canto Learning Limited (the 'charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of Canto Learning Limited

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the engagement partner ensured that the engagement team collectively had the appropriate experience, competence, capabilities and skills to identify or recognise non-compliance with laws and regulations;
- through discussions with the trustees and other management, and from our commercial knowledge of the charity's activities and objectives, we identified the laws and regulations applicable to the charity and focused on specific laws and regulations which we considered may have a direct material effect on the financial statements and operations of the charity. These included charity foundation constitutions, governance and policy matters, anti-bribery and employment; and
- we remained alert to instances of non-compliance throughout the audit and assessed the extent of compliance through discussions with management and examination of documentation.
- We assessed the susceptibility of the charity's financial statements to material misstatement and obtained an understanding of how fraud might occur by:
- making enquiries of management as to where they considered there was a susceptibility to fraud and their knowledge of any actual, suspected or alleged fraud; and
- considering the internal controls in place to mitigate the risk of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify unusual or unexpected relationships;
- reviewed the nominal ledger and, specifically, journal entries to identify large or unusual transactions and investigated them; and
- we assessed the extent to which accounting entries relied on a high degree of judgement and/or estimation.

In response to the risk of irregularities and non-compliance with laws and regulations we designed procedures which included:

- agreeing financial statement disclosures to supporting documentation;
- reading minutes of trustee / management meetings, relevant regulators and the charity's professional advisers; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Callum Veasey ACA MAAT (Senior Statutory Auditor)
for and on behalf of Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

Date:

Canto Learning Limited

**Statement of Financial Activities
for the year ended 31 July 2022**

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	2,944	-	2,944	1,520
Charitable activities					
Programme income	6	1,509,724	-	1,509,724	1,346,831
Other trading activities	4	21,995	-	21,995	13,663
Investment income	5	166	-	166	91
Total		<u>1,534,829</u>	<u>-</u>	<u>1,534,829</u>	<u>1,362,105</u>
EXPENDITURE ON					
Charitable activities					
Programme income	7	1,284,342	-	1,284,342	1,160,605
Other		<u>12,884</u>	<u>-</u>	<u>12,884</u>	<u>12,671</u>
Total		<u>1,297,226</u>	<u>-</u>	<u>1,297,226</u>	<u>1,173,276</u>
NET INCOME		237,603	-	237,603	188,829
RECONCILIATION OF FUNDS					
Total funds brought forward		1,629,198	-	1,629,198	1,440,369
TOTAL FUNDS CARRIED FORWARD		<u><u>1,866,801</u></u>	<u><u>-</u></u>	<u><u>1,866,801</u></u>	<u><u>1,629,198</u></u>

The notes form part of these financial statements

Canto Learning Limited (Registered number: 10094184)

Balance Sheet
31 July 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	13	1,352,135	-	1,352,135	1,259,226
CURRENT ASSETS					
Stocks	14	650	-	650	650
Debtors	15	138,042	-	138,042	126,239
Cash at bank and in hand		715,063	-	715,063	566,109
		<u>853,755</u>	<u>-</u>	<u>853,755</u>	<u>692,998</u>
CREDITORS					
Amounts falling due within one year	16	(183,198)	-	(183,198)	(114,763)
		<u>670,557</u>	<u>-</u>	<u>670,557</u>	<u>578,235</u>
NET CURRENT ASSETS					
		<u>670,557</u>	<u>-</u>	<u>670,557</u>	<u>578,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,022,692</u>	<u>-</u>	<u>2,022,692</u>	<u>1,837,461</u>
CREDITORS					
Amounts falling due after more than one year	17	(155,891)	-	(155,891)	(208,263)
		<u>1,866,801</u>	<u>-</u>	<u>1,866,801</u>	<u>1,629,198</u>
NET ASSETS		<u>1,866,801</u>	<u>-</u>	<u>1,866,801</u>	<u>1,629,198</u>
FUNDS	20				
Unrestricted funds				<u>1,866,801</u>	<u>1,629,198</u>
TOTAL FUNDS				<u>1,866,801</u>	<u>1,629,198</u>

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
Mr A M Billingham - Trustee

.....
Mrs C Dear - Trustee

The notes form part of these financial statements

Canto Learning Limited

Cash Flow Statement
for the year ended 31 July 2022

Notes	2022 £	2021 £
Cash flows from operating activities		
Cash generated from operations	352,663	355,073
Interest paid	(6,196)	(7,506)
	<u>346,467</u>	<u>347,567</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(140,358)	(26,028)
Sale of tangible fixed assets	200	1,550
Interest received	166	91
	<u>(139,992)</u>	<u>(24,387)</u>
Cash flows from financing activities		
Loan repayments in year	(57,521)	(55,745)
	<u>(57,521)</u>	<u>(55,745)</u>
Change in cash and cash equivalents in the reporting period		
	148,954	267,435
Cash and cash equivalents at the beginning of the reporting period		
	<u>566,109</u>	<u>298,674</u>
Cash and cash equivalents at the end of the reporting period		
	<u><u>715,063</u></u>	<u><u>566,109</u></u>

The notes form part of these financial statements

Canto Learning Limited

**Notes to the Cash Flow Statement
for the year ended 31 July 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	237,603	188,829
Adjustments for:		
Depreciation charges	46,494	42,136
Loss on disposal of fixed assets	756	3,751
Interest received	(166)	(91)
Interest paid	6,196	7,506
(Increase)/decrease in debtors	(11,803)	75,379
Increase in creditors	73,583	37,563
	<u>352,663</u>	<u>355,073</u>
Net cash provided by operations	<u><u>352,663</u></u>	<u><u>355,073</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.21 £	Cash flow £	At 31.7.22 £
Net cash			
Cash at bank and in hand	566,109	148,954	715,063
	<u>566,109</u>	<u>148,954</u>	<u>715,063</u>
Debt			
Debts falling due within 1 year	(52,620)	(1,046)	(53,666)
Debts falling due after 1 year	(208,263)	52,372	(155,891)
	<u>(260,883)</u>	<u>51,326</u>	<u>(209,557)</u>
Total	<u><u>305,226</u></u>	<u><u>200,280</u></u>	<u><u>505,506</u></u>

The notes form part of these financial statements

Canto Learning Limited

Notes to the Financial Statements **for the year ended 31 July 2022**

1. STATUTORY INFORMATION

Canto Learning Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's business address is Willis House, Tonmead Road, Lumbertubs, Northampton. NN3 8HU.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

Canto Learning Limited is an incorporated Charity in the United Kingdom. The nature of the charity's operations and principal activities are to advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) '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)'. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date the financial statements are authorised. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern, despite the current pandemic.

Critical accounting judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Valuation of fixed assets
- Valuation of deferred income
- Calculation of accruals
- Valuation of the capital reserve

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2022**

2. ACCOUNTING POLICIES - continued

Income

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of education service funding. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost, excluding est. land value
Improvements to property	- 2% on cost

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2022**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- 15% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2022**

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	2,944	1,520

Income from fundraising activities was £2,944, of which £nil was attributable to capital reserve, £nil was attributable to endowments, £nil was attributable to restricted and £2,944 was attributable to unrestricted funds.

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Clothing income	5,512	3,983
Tuck shop income	2,314	649
Avon income	14,169	9,031
	<u>21,995</u>	<u>13,663</u>

Income from other trading activities was £21,995, of which £nil was attributable to endowments, £nil was attributable to restricted and £21,995 was attributable to unrestricted funds.

5. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	166	91

Income from investment activities was £166, of which £nil was attributable to endowments, £nil was attributable to restricted and £166 was attributable to unrestricted funds.

6. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
	Activity	£	£
Programme income	Programme income	626,723	648,049
Grants	Programme income	883,001	698,782
		<u>1,509,724</u>	<u>1,346,831</u>

Income from charitable activities was £1,509,724, of which £nil was attributable to endowments, £nil was attributable to restricted and £1,509,724 was attributable to unrestricted funds.

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Government funding	883,001	698,782

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2022**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Programme income	1,272,854	11,488	1,284,342

The charity has only one activity, and all expenditure is incurred in furtherance of that activity. The allocation of support costs is all allocated to one activity of the charity.

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Other resources expended	6,788	-	6,788
Programme income	-	11,488	11,488
	<u>6,788</u>	<u>11,488</u>	<u>18,276</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	4,800	4,000
Depreciation - owned assets	46,493	42,137
Deficit on disposal of fixed assets	756	3,751
	<u>52,049</u>	<u>49,888</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

	2022 £	2021 £
Trustees' salaries	75,986	71,521
Trustees' social security	7,600	7,434
Trustees' pensions paid	2,222	2,056
	<u>85,808</u>	<u>81,011</u>

The two Trustees for which remuneration is paid are Mrs. J. Gadsden and Mrs C. Dear. Both trustees are also accruing pension contributions under the charities auto enrolment obligation.

The charity has legal authority within its memorandum and articles of association to pay remuneration to Trustees, and this has been agreed with the Charities Commission. The remuneration was paid, not for the role of Trustee, but for the job undertaken within the Charity.

The charity considers that only its trustees are considered key management personnel and their remuneration is disclosed above.

The charity did reimburse expenses to trustees; the amount reimbursed is disclosed below and related to travel and subsistence payments. There was only one trustee who received reimbursed expenses.

Trustees' expenses

	2022 £	2021 £
Trustees' expenses	401	723

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2022**

11. STAFF COSTS AND TRUSTEES

	2022	2021
	£	£
Wages and salaries	863,862	803,282
Social security costs	58,523	57,986
Other pension costs	21,013	18,901
	943,398	880,169

The average monthly number of employees during the year was as follows:

	2022	2021
Employed Trustees	2	2
Other, Non-Salaried, Trustees	7	6
Leadership Team	6	6
Teaching Staff	17	12
Support Staff	14	20
Administrative Staff	6	5
	52	51

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	1	1

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,520	-	1,520
Charitable activities			
Programme income	1,346,831	-	1,346,831
Other trading activities	13,663	-	13,663
Investment income	91	-	91
Total	1,362,105	-	1,362,105
EXPENDITURE ON			
Charitable activities			
Programme income	1,160,605	-	1,160,605
Other	12,671	-	12,671
Total	1,173,276	-	1,173,276
NET INCOME	188,829	-	188,829

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2022**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	1,440,369	-	1,440,369
TOTAL FUNDS CARRIED FORWARD	<u>1,629,198</u>	<u>-</u>	<u>1,629,198</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	
COST				
At 1 August 2021	1,134,748	148,391	35,402	
Additions	-	79,698	-	
Disposals	-	-	-	
At 31 July 2022	<u>1,134,748</u>	<u>228,089</u>	<u>35,402</u>	
DEPRECIATION				
At 1 August 2021	68,085	5,708	24,278	
Charge for year	22,694	3,072	4,448	
Eliminated on disposal	-	-	-	
At 31 July 2022	<u>90,779</u>	<u>8,780</u>	<u>28,726</u>	
NET BOOK VALUE				
At 31 July 2022	<u>1,043,969</u>	<u>219,309</u>	<u>6,676</u>	
At 31 July 2021	<u>1,066,663</u>	<u>142,683</u>	<u>11,124</u>	
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 August 2021	35,947	5,700	38,065	1,398,253
Additions	4,010	37,902	18,748	140,358
Disposals	-	(5,700)	-	(5,700)
At 31 July 2022	<u>39,957</u>	<u>37,902</u>	<u>56,813</u>	<u>1,532,911</u>
DEPRECIATION				
At 1 August 2021	18,735	4,744	17,477	139,027
Charge for year	5,512	3,765	7,002	46,493
Eliminated on disposal	-	(4,744)	-	(4,744)
At 31 July 2022	<u>24,247</u>	<u>3,765</u>	<u>24,479</u>	<u>180,776</u>
NET BOOK VALUE				
At 31 July 2022	<u>15,710</u>	<u>34,137</u>	<u>32,334</u>	<u>1,352,135</u>
At 31 July 2021	<u>17,212</u>	<u>956</u>	<u>20,588</u>	<u>1,259,226</u>

Canto Learning Limited

Notes to the Financial Statements - continued
for the year ended 31 July 2022

13. TANGIBLE FIXED ASSETS - continued

No depreciation was provided on the estimated land value of £173,000 which is included in the total cost at the start of the year.

All assets are used within the Charity for the benefit of the charitable purpose.

14. STOCKS

	2022	2021
	£	£
Stocks	650	650

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	94,144	118,435
Bad debt provision	(1,709)	(9,463)
Prepayments and accrued income	45,607	17,267
	<u>138,042</u>	<u>126,239</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 18)	53,666	52,620
Trade creditors	4,481	6,768
Social security and other taxes	18,576	13,194
Other creditors	7,150	5,425
Accruals and deferred income	79,401	21,556
Deferred government grants	19,924	15,200
	<u>183,198</u>	<u>114,763</u>

Government grant income for the forthcoming academic year is paid up front and subject to potential clawback at the end of the period. The deferred government grant balance represents the monies received which the charity has not yet earned through carrying out its charitable activity, however, at the balance sheet date the directors' believed that all income received had been earned and that there should not be a clawback.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2022**

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Bank loans (see note 18)	155,891	208,263

18. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Bank loans	53,666	52,620
Amounts falling between one and two years:		
Bank loans - 1-2 years	54,357	53,328
Amounts falling due between two and five years:		
Bank loans - 2-5 years	101,534	154,935

The company has two long term loans, one at a fixed rate and one at a variable rate, bearing interest at rates of 3.77% and 2.00% above base rate, respectively.

19. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	209,557	260,883

There are two charges in relation to the loan monies outstanding both in favour of Lloyds Bank Plc, one over the property known as Willis House, and the other over all other assets of the Charity.

20. MOVEMENT IN FUNDS

	At 1.8.21 £	Net movement in funds £	Transfers between funds £	At 31.7.22 £
Unrestricted funds				
General Fund	854,703	237,603	16,479	1,108,785
Capital Reserve	774,495	-	(16,479)	758,016
	1,629,198	237,603	-	1,866,801
TOTAL FUNDS	1,629,198	237,603	-	1,866,801

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2022**

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,534,829	(1,297,226)	237,603
TOTAL FUNDS	<u>1,534,829</u>	<u>(1,297,226)</u>	<u>237,603</u>

Comparatives for movement in funds

	At 1.8.20 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
Unrestricted funds				
General Fund	649,396	188,829	16,478	854,703
Capital Reserve	790,973	-	(16,478)	774,495
	<u>1,440,369</u>	<u>188,829</u>	<u>-</u>	<u>1,629,198</u>
TOTAL FUNDS	<u>1,440,369</u>	<u>188,829</u>	<u>-</u>	<u>1,629,198</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,362,105	(1,173,276)	188,829
TOTAL FUNDS	<u>1,362,105</u>	<u>(1,173,276)</u>	<u>188,829</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.20 £	Net movement in funds £	Transfers between funds £	At 31.7.22 £
Unrestricted funds				
General Fund	649,396	426,432	32,957	1,108,785
Capital Reserve	790,973	-	(32,957)	758,016
	<u>1,440,369</u>	<u>426,432</u>	<u>-</u>	<u>1,866,801</u>
TOTAL FUNDS	<u>1,440,369</u>	<u>426,432</u>	<u>-</u>	<u>1,866,801</u>

Canto Learning Limited

Notes to the Financial Statements - continued for the year ended 31 July 2022

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	2,896,934	(2,470,502)	426,432
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,896,934</u>	<u>(2,470,502)</u>	<u>426,432</u>

Transfers between funds

The Capital Reserve is released over the life of the related asset, allocating the transfer of fund against the depreciation charge with Unrestricted Funds.

21. EMPLOYEE BENEFIT OBLIGATIONS

The company operates defined contribution, auto enrolment retirement benefit schemes for all its qualifying employees. The total expense charged to profit or loss in the period ended 31st July 2022 was £23,235 (2021: £20,956). The amount owed to the pension schemes at the year-end was £4,996 (2021: £4,134).

22. RELATED PARTY DISCLOSURES

The Director, Mr. A. Billingham, is also a Partner of Clifford Roberts Chartered Accountants, who provided accountancy services to the Charity. Included within accountancy costs are amounts totalling £4,783 paid to Clifford Roberts in respect of accountancy services conducted at arm's length by other members of the firm. At the year-end there was an unsecured credit balance outstanding of £Nil (2021: £240).

23. AUDITOR LIABILITY LIMITATION AGREEMENT

The company has entered into a liability limitation agreement with its auditors and this agreement was approved by resolution dated 28th February 2022.

Liability is limited to the lesser of 20 times the audit fee or £80,000. In accordance with section 537 of Companies Act 2006, the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable, as determined by that section, the agreement shall have the effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of the financial statements of the company for the year ended 31st July 2022.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws or regulations.

Canto Learning Limited

Notes to the Financial Statements - continued
for the year ended 31 July 2022

24. POST BALANCE SHEET EVENTS

There are no events after the period end that requires reporting on.

25. FINANCIAL RISK MANAGEMENT

The company has some exposure to credit, liquidity and cashflow interest rate risks, these risks are limited by the company's financial management policies and practices described below.

Credit risk

The company offer credit terms to its customers which allows payment of the debt at a future specified time. The company mitigates this risk by maintaining strong customer relationships and regular analysis its sales ledger for troubled customers.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. Currently based on the cash reserves this is not deemed a significant risk.

Interest rate risk

The company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. Apart from the Long-term loan the company does not have significant interest-bearing assets and liabilities. Fixed rate terms are agreed when considered favourable to mitigate risk.

The company holds no derivative financial instruments at the year end.

Canto Learning Limited

Detailed Statement of Financial Activities
for the year ended 31 July 2022

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	2,944	-	2,944	1,520
Other trading activities				
Clothing income	5,512	-	5,512	3,983
Tuck shop income	2,314	-	2,314	649
Avon income	14,169	-	14,169	9,031
	<hr/>	<hr/>	<hr/>	<hr/>
	21,995	-	21,995	13,663
Investment income				
Deposit account interest	166	-	166	91
Charitable activities				
Programme income	626,723	-	626,723	648,049
Grants	883,001	-	883,001	698,782
	<hr/>	<hr/>	<hr/>	<hr/>
	1,509,724	-	1,509,724	1,346,831
Total incoming resources	<hr/>	<hr/>	<hr/>	<hr/>
	1,534,829	-	1,534,829	1,362,105
EXPENDITURE				
Charitable activities				
Trustees' salaries	75,986	-	75,986	71,521
Trustees' social security	7,600	-	7,600	7,434
Trustees' pensions paid	2,222	-	2,222	2,056
Trustees' expenses	401	-	401	723
Wages	787,876	-	787,876	731,761
Social security	50,923	-	50,923	50,552
Pensions	21,013	-	21,013	18,901
Rates and water	5,483	-	5,483	4,771
Insurance	11,633	-	11,633	10,352
Light and heat	10,766	-	10,766	21,384
Telephone	18,146	-	18,146	8,679
Postage and stationery	13,470	-	13,470	8,807
Advertising	4,259	-	4,259	119
Sundries	299	-	299	614
Programme costs	82,300	-	82,300	53,708
School meals	(5,808)	-	(5,808)	1,649
Student travel costs	7,109	-	7,109	5,123
Repairs to property	72,642	-	72,642	51,742
Waste removal	6,393	-	6,393	5,694
Motor expenses	9,045	-	9,045	9,851
Staff costs and refreshments	31,466	-	31,466	22,369
Computer expenses	10,671	-	10,671	5,487
Carried forward	1,223,895	-	1,223,895	1,093,297

This page does not form part of the statutory financial statements

Canto Learning Limited

Detailed Statement of Financial Activities
for the year ended 31 July 2022

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Charitable activities				
Brought forward	1,223,895	-	1,223,895	1,093,297
Bad debts	1,709	-	1,709	9,463
Freehold property depreciation	22,695	-	22,695	22,695
Short leasehold depreciation	3,072	-	3,072	2,839
Plant & machinery depreciation	4,448	-	4,448	5,345
Fixtures&fittings depreciation	5,512	-	5,512	5,223
Motor vehicles depreciation	3,765	-	3,765	345
Computer equipment	7,002	-	7,002	5,689
Loss on sale of tangible fixed assets	756	-	756	3,751
	1,272,854	-	1,272,854	1,148,647
Other				
Tuck shop costs	3,541	-	3,541	1,527
Clothing costs	97	-	97	468
Avon costs	2,458	-	2,458	2,129
	6,096	-	6,096	4,124
Support costs				
Finance				
Bank charges	983	-	983	718
Mortgage	5,805	-	5,805	7,897
	6,788	-	6,788	8,615
Governance costs				
Auditors' remuneration	4,800	-	4,800	4,000
Accountancy and legal fees	6,688	-	6,688	7,890
	11,488	-	11,488	11,890
Total resources expended	1,297,226	-	1,297,226	1,173,276
Net income	237,603	-	237,603	188,829

This page does not form part of the statutory financial statements

CANTO LEARNING LIMITED

England & Wales - Charity number 1168455

Accounts

REGISTERED COMPANY NUMBER: 10094184 (England and Wales)
REGISTERED CHARITY NUMBER: 1168455

Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 July 2021
for
Canto Learning Limited

Canto Learning Limited

Contents of the Financial Statements
for the year ended 31 July 2021

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 24
Detailed Statement of Financial Activities	25 to 26

Canto Learning Limited (Registered number: 10094184)

Report of the Trustees
for the year ended 31 July 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

Public benefit

All the Charity's activities are undertaken to further our charitable purpose for the benefit of the public. The trustees have had regard to the Charity Commission guidance on public benefit in section four of the Charities Act 2011. The main benefits which have arisen during the year from the organisations aims and activities are detailed in the following sections and in the financial review.

STRATEGIC REPORT

Achievement and performance

The trustees are confident that the general balance between income, expenditure and reserves has remained satisfactory throughout the year, and that the costs to manage Covid-19 continue to be deployed effectively.

Much of the surplus shown in these accounts has been allocated to maintenance and upgrade of the premises and to funding planned growth of core provision.

Canto Learning Ltd continues to increase student provision for the benefit of those residing in Northamptonshire and surrounding areas. The good reputation of the organisation is seeing continued demand across the geographical area for services, which is leading to organic growth of student numbers particularly from Social Care.

Despite the disruption of Covid 19, the Leadership Team has managed the disruption well by keeping teaching and learning going through remote and online delivery and by restructuring the building into teaching bubbles to keep students and staff as safe as possible during onsite teaching delivery. Environmental Health has inspected the teaching arrangements onsite and has commended arrangements. This has come at some considerable costs for PPE, Perspex screening, signage, deep cleaning and sanitisation, but the Board has seen this as essential and has funded these unforeseen costs from budgeted contingency funds,

Due to the nature of the funding of the teaching, provision is made in the accounts for potential clawback. For 20/21 this has been managed effectively and the return of funding is within tolerance.

We have made significant progress throughout the year in relation to the key elements of our strategy, the board monitors the progress by reference to the following financial KPI's:

	2021	2020
Accumulated surplus	£854,703	£649,396
Wage cost as a % of incoming resources	58.8%	62.5%
Operating surplus %	13.9%	6.0%

In addition the board monitors non-financial KPIs, such as staff and student satisfaction, by way of annual survey, the results for which are discussed as part of the board meeting.

Report of the Trustees
for the year ended 31 July 2021

STRATEGIC REPORT

Financial review

Reserves policy

The nature of funding to the charity is such that payments are received in advance for various areas of the activities undertaken. These funds are reconcilable at the end of the academic year and, if unused, are at risk of being clawed back if the charity cannot demonstrate that the funds have been applied. Such 'at risk' funds are retained separately and only allocated to the finances of the charity as they are applied. It is from these applied funds that allocation is made to our reserves. Reserve funds are invested in a '32 Day Notice' account which yields higher interest but is fully secure.

The trustees are satisfied that the amount of reserves remains at a healthy level and is being constantly monitored to ensure the long-term financial stability of the charity.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the charity is exposed, those relating to 'In Advance' payments which could be clawed back by the funding authorities. The trustees are satisfied that the measures in place adequately provide for any such risk that exists. Financial reports are completed and presented to each Board of Trustees meeting and satisfy the trustees that appropriate systems are in place to mitigate our exposure to all major risks.

Future plans

The Charity's future plan is to continue and develop the core provision of education and training to our SEN student groups and to add to our facilities in order to enhance further their learning experience and wellbeing

As Covid-19 reduces, CANTO will look to recover areas that have been affected over the past 18+ months. The new on-site work centre, coffee shop and meeting room that just opened pre-pandemic provides additional future opportunity and scope to deliver work experience in-house rather than using third parties, enriching the experience for students in a cost effective manner. Buildings essential maintenance continues and will be a constant feature of a planned renewal schedule for the next 5 years, with a longer term ambition of adding to the building to include a performance and arts block.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10094184 (England and Wales)

Registered Charity number

1168455

Registered office

Willis House
Tonmead Road
Lumbertubs
Northampton
Northamptonshire
NN3 8HU

Report of the Trustees
for the year ended 31 July 2021

Trustees

Mrs C Dear
Mr A M Hanning
Mr P Burch
Mrs J Gadsden
Mrs A Fometu
Mr A M Billingham
M E Heron
Mr R Nutt

Auditors

Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Canto Learning Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 2015 (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;
- 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.

AUDITORS

The auditors, Cottons Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Canto Learning Limited (Registered number: 10094184)

Report of the Trustees
for the year ended 31 July 2021

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 23 May 2022 and signed on the board's behalf by:

Mr R Nutt - Trustee

Report of the Independent Auditors to the Members of Canto Learning Limited

Opinion

We have audited the financial statements of Canto Learning Limited (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Members of Canto Learning Limited

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate experience, competence, capabilities and skills to identify or recognise non-compliance with laws and regulations;
- through discussions with the trustees and other management, and from our commercial knowledge of the charity's activities and objectives, we identified the laws and regulations applicable to the charity and focused on specific laws and regulations which we considered may have a direct material effect on the financial statements and operations of the charity. These included charity foundation constitutions, governance and policy matters, data protection, anti-bribery, employment, environmental and health & safety legislation; and
- we remained alert to instances of non-compliance throughout the audit and assessed the extent of compliance through discussions with management and examination of documentation.
- We assessed the susceptibility of the charity's financial statements to material misstatement and obtained an understanding of how fraud might occur by:
- making enquiries of management as to where they considered there was a susceptibility to fraud and their knowledge of any actual, suspected or alleged fraud; and
- considering the internal controls in place to mitigate the risk of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify unusual or unexpected relationships;
- reviewed the nominal ledger and, specifically, journal entries to identify large or unusual transactions and investigated them; and
- we assessed the extent to which accounting entries relied on a high degree of judgement and/or estimation.

In response to the risk of irregularities and non-compliance with laws and regulations we designed procedures which included:

- agreeing financial statement disclosures to supporting documentation;
- reading minutes of trustee / management meetings, relevant regulators and the charity's professional advisers; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Canto Learning Limited**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Callum Veasey ACA MAAT (Senior Statutory Auditor)
for and on behalf of Cottons Accountants LLP
The Stables
Church Walk
Daventry
Northamptonshire
NN11 4BL

Date:

Canto Learning Limited

Statement of Financial Activities
for the year ended 31 July 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,520	-	1,520	2,974
Charitable activities					
Programme income	6	1,346,831	-	1,346,831	1,019,956
Other trading activities	4	13,663	-	13,663	4,328
Investment income	5	91	-	91	982
Other income		-	-	-	59,837
Total		<u>1,362,105</u>	<u>-</u>	<u>1,362,105</u>	<u>1,088,077</u>
EXPENDITURE ON					
Charitable activities					
Programme income	7	1,160,605	-	1,160,605	1,009,605
Other		12,671	-	12,671	12,742
Total		<u>1,173,276</u>	<u>-</u>	<u>1,173,276</u>	<u>1,022,347</u>
NET INCOME		<u>188,829</u>	<u>-</u>	<u>188,829</u>	<u>65,730</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		1,440,369	-	1,440,369	1,374,639
TOTAL FUNDS CARRIED FORWARD		<u><u>1,629,198</u></u>	<u><u>-</u></u>	<u><u>1,629,198</u></u>	<u><u>1,440,369</u></u>

The notes form part of these financial statements

Canto Learning Limited (Registered number: 10094184)

Balance Sheet
31 July 2021

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	13	1,259,226	-	1,259,226	1,280,635
CURRENT ASSETS					
Stocks	14	650	-	650	650
Debtors	15	126,239	-	126,239	201,618
Cash at bank and in hand		566,109	-	566,109	298,674
		<u>692,998</u>	<u>-</u>	<u>692,998</u>	<u>500,942</u>
CREDITORS					
Amounts falling due within one year	16	(114,763)	-	(114,763)	(85,746)
		<u>578,235</u>	<u>-</u>	<u>578,235</u>	<u>415,196</u>
NET CURRENT ASSETS					
		<u>578,235</u>	<u>-</u>	<u>578,235</u>	<u>415,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,837,461</u>	<u>-</u>	<u>1,837,461</u>	<u>1,695,831</u>
CREDITORS					
Amounts falling due after more than one year	17	(208,263)	-	(208,263)	(255,462)
		<u>1,629,198</u>	<u>-</u>	<u>1,629,198</u>	<u>1,440,369</u>
NET ASSETS		<u>1,629,198</u>	<u>-</u>	<u>1,629,198</u>	<u>1,440,369</u>
FUNDS	20				
Unrestricted funds				<u>1,629,198</u>	<u>1,440,369</u>
TOTAL FUNDS				<u>1,629,198</u>	<u>1,440,369</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23 May 2022 and were signed on its behalf by:

Mr A M Billingham - Trustee

Mr R Nutt - Trustee

The notes form part of these financial statements

Canto Learning Limited

**Cash Flow Statement
for the year ended 31 July 2021**

Notes	2021 £	2020 £
Cash flows from operating activities		
Cash generated from operations	355,073	(38,107)
Interest paid	(7,506)	(10,996)
	<u>347,567</u>	<u>(49,103)</u>
Net cash provided by/(used in) operating activities		
Cash flows from investing activities		
Purchase of tangible fixed assets	(26,028)	(96,175)
Sale of tangible fixed assets	1,550	-
Interest received	91	982
	<u>(24,387)</u>	<u>(95,193)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Loan repayments in year	(55,745)	(58,277)
	<u>(55,745)</u>	<u>(58,277)</u>
Net cash used in financing activities		
Change in cash and cash equivalents in the reporting period		
	267,435	(202,573)
Cash and cash equivalents at the beginning of the reporting period	<u>298,674</u>	<u>501,247</u>
Cash and cash equivalents at the end of the reporting period	<u><u>566,109</u></u>	<u><u>298,674</u></u>

The notes form part of these financial statements

Canto Learning Limited

**Notes to the Cash Flow Statement
for the year ended 31 July 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	188,829	65,730
Adjustments for:		
Depreciation charges	42,136	44,229
Loss on disposal of fixed assets	3,751	-
Interest received	(91)	(982)
Interest paid	7,506	10,996
Decrease/(increase) in debtors	75,379	(129,750)
Increase/(decrease) in creditors	37,563	(28,330)
Net cash provided by/(used in) operations	<u>355,073</u>	<u>(38,107)</u>

2. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.8.20 £	Cash flow £	At 31.7.21 £
Net cash			
Cash at bank and in hand	298,674	267,435	566,109
	<u>298,674</u>	<u>267,435</u>	<u>566,109</u>
Debt			
Debts falling due within 1 year	(53,658)	1,038	(52,620)
Debts falling due after 1 year	(255,462)	47,199	(208,263)
	<u>(309,120)</u>	<u>48,237</u>	<u>(260,883)</u>
Total	<u>(10,446)</u>	<u>315,672</u>	<u>305,226</u>

The notes form part of these financial statements

Canto Learning Limited

Notes to the Financial Statements **for the year ended 31 July 2021**

1. STATUTORY INFORMATION

Canto Learning Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's business address is Willis House, Tonmead Road, Lumbertubs, Northampton. NN3 8HU.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

Canto Learning Limited is an incorporated Charity in the United Kingdom. The nature of the charity's operations and principal activities are to advance the education and skills of young people who live with challenges arising from learning, behavioural, emotional or social difficulties by the provision of a specialist establishment.

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102) '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)'. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from the date the financial statements are authorised. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern, despite the current pandemic.

Critical accounting judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Valuation of fixed assets
- Valuation of deferred income
- Calculation of accruals
- Valuation of the capital reserve

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2021**

2. ACCOUNTING POLICIES - continued

Income

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of education service funding. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2021**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- 15% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

COVID-19

COVID-19 has had a negative impact on the current economic climate and it's significant economic impact has been considered when preparing the year end accounts.

Canto Learning Limited

Notes to the Financial Statements - continued
for the year ended 31 July 2021

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	1,520	2,974
	<u> </u>	<u> </u>

Income from fundraising activities was £1,520, of which £nil was attributable to capital reserve, £nil was attributable to endowments, £nil was attributable to restricted and £1,520 was attributable to unrestricted funds.

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	-	152
Clothing income	3,983	611
Tuck shop income	649	2,537
Avon income	9,031	701
Other income	-	327
	<u> </u>	<u> </u>
	<u>13,663</u>	<u>4,328</u>

Income from other trading activities was £13,663, of which £nil was attributable to endowments, £nil was attributable to restricted and £13,663 was attributable to unrestricted funds.

5. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	91	982
	<u> </u>	<u> </u>

Income from investment activities was £91, of which £nil was attributable to endowments, £nil was attributable to restricted and £91 was attributable to unrestricted funds.

6. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Programme income	Programme income	648,049	300,359
Grants	Programme income	698,782	719,597
		<u> </u>	<u> </u>
		<u>1,346,831</u>	<u>1,019,956</u>

Income from charitable activities was £1,346,831, of which £nil was attributable to endowments, £nil was attributable to restricted and £1,346,831 was attributable to unrestricted funds.

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Government funding	698,782	719,597
	<u> </u>	<u> </u>

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2021**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Programme income	1,148,647	11,958	1,160,605
	<u>1,148,647</u>	<u>11,958</u>	<u>1,160,605</u>

The charity has only one activity, and all expenditure is incurred in furtherance of that activity. The allocation of support costs is all allocated to one activity of the charity.

8. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Other resources expended	8,547	-	8,547
Programme income	68	11,890	11,958
	<u>8,615</u>	<u>11,890</u>	<u>20,505</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	4,000	4,100
Depreciation - owned assets	42,137	44,230
Deficit on disposal of fixed assets	3,751	-
	<u>49,888</u>	<u>48,330</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

	2021 £	2020 £
Trustees' salaries	71,521	78,388
Trustees' social security	7,434	7,515
Trustees' pension contributions to money purchase schemes	2,056	2,334
	<u>81,011</u>	<u>88,237</u>

The two Trustees for which remuneration is paid are Mrs. J. Gadsden and Mrs C. Dear. Both trustee are also accruing pension contributions under the charities auto enrolment obligation. In the prior year Trustee remuneration and accruing pension contributions under the charities auto enrolment obligation were also paid to Mrs. M E Heron.

The charity has legal authority within its memorandum and articles of association to pay remuneration to Trustees, and this has been agreed with the Charities Commission. The remuneration was paid, not for the role of Trustee, but for the job undertaken within the Charity.

The charity considers that only its trustees are considered key management personnel and their remuneration is disclosed above.

The charity did reimburse expenses to trustees; the amount reimbursed is disclosed below and related to travel and subsistence payments. There was only one trustee who received reimbursed expenses.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2021**

10. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses	2021	2020
	£	£
Trustees' expenses	723	115
	<u>723</u>	<u>115</u>

11. STAFF COSTS AND TRUSTEES

	2021	2020
	£	£
Wages and salaries	803,282	703,805
Social security costs	57,986	45,591
Other pension costs	20,957	19,178
	<u>882,225</u>	<u>768,574</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Employed Trustees	2	3
Other, Non-Salaried, Trustees	6	5
Leadership Team	6	7
Teaching Staff	12	9
Support Staff	20	15
Administrative Staff	5	6
	<u>51</u>	<u>45</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,974	-	2,974
Charitable activities			
Programme income	1,019,956	-	1,019,956
Other trading activities	4,328	-	4,328
Investment income	982	-	982
Other income	59,837	-	59,837
Total	<u>1,088,077</u>	<u>-</u>	<u>1,088,077</u>
EXPENDITURE ON			
Charitable activities			
Programme income	1,009,605	-	1,009,605
Other	12,742	-	12,742

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2021**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
Total	1,022,347	-	1,022,347
NET INCOME	65,730	-	65,730
RECONCILIATION OF FUNDS			
Total funds brought forward	1,374,639	-	1,374,639
TOTAL FUNDS CARRIED FORWARD	1,440,369	-	1,440,369

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 August 2020	1,134,748	135,965	41,849
Additions	-	12,426	245
Disposals	-	-	(6,692)
At 31 July 2021	1,134,748	148,391	35,402
DEPRECIATION			
At 1 August 2020	45,390	2,870	25,208
Charge for year	22,695	2,838	5,346
Eliminated on disposal	-	-	(6,276)
At 31 July 2021	68,085	5,708	24,278
NET BOOK VALUE			
At 31 July 2021	1,066,663	142,683	11,124
At 31 July 2020	1,089,358	133,095	16,641

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2021**

13. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 August 2020	35,883	24,185	64,542	1,437,172
Additions	5,909	-	7,448	26,028
Disposals	(5,845)	(18,485)	(33,925)	(64,947)
	<u>35,947</u>	<u>5,700</u>	<u>38,065</u>	<u>1,398,253</u>
DEPRECIATION				
At 1 August 2020	19,234	19,436	44,399	156,537
Charge for year	5,223	346	5,689	42,137
Eliminated on disposal	(5,722)	(15,038)	(32,611)	(59,647)
	<u>18,735</u>	<u>4,744</u>	<u>17,477</u>	<u>139,027</u>
NET BOOK VALUE				
At 31 July 2021	<u>17,212</u>	<u>956</u>	<u>20,588</u>	<u>1,259,226</u>
At 31 July 2020	<u>16,649</u>	<u>4,749</u>	<u>20,143</u>	<u>1,280,635</u>

All assets are used within the Charity for the benefit of the charitable purpose.

14. STOCKS

	2021 £	2020 £
Stocks	<u>650</u>	<u>650</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	118,435	115,156
Bad debt provision	(9,463)	-
VAT	-	59,837
Prepayments and accrued income	17,267	26,625
	<u>126,239</u>	<u>201,618</u>

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2021**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 18)	52,620	53,658
Trade creditors	6,768	6,538
Social security and other taxes	13,194	11,037
Other creditors	5,425	4,084
Accruals and deferred income	21,556	10,429
Deferred government grants	15,200	-
	<u>114,763</u>	<u>85,746</u>

Government grant income for the forthcoming academic year is paid up front and subject to potential clawback at the end of the period. The deferred government grant balance represents the monies received which the charity has not yet earned through carrying out its charitable activity, however, at the balance sheet date the directors' believed that all income received had been earned and that there should not be a clawback.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 18)	<u>208,263</u>	<u>255,462</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>52,620</u>	<u>53,658</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>53,328</u>	<u>52,854</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>154,935</u>	<u>158,563</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	-	44,045

The company has two long term loans, one at a fixed rate and one at a variable rate, bearing interest at rates of 3.77% and 2.00% above base rate, respectively.

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2021**

19. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>260,883</u>	<u>309,120</u>

There are two charges in relation to the loan monies outstanding both in favour of Lloyds Bank Plc, one over the property known as Willis House, and the other over all other assets of the Charity.

20. MOVEMENT IN FUNDS

	At 1.8.20 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
Unrestricted funds				
General Fund	649,396	188,829	16,478	854,703
Capital Reserve	790,973	-	(16,478)	774,495
	<u>1,440,369</u>	<u>188,829</u>	<u>-</u>	<u>1,629,198</u>
TOTAL FUNDS	<u>1,440,369</u>	<u>188,829</u>	<u>-</u>	<u>1,629,198</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,362,105	(1,173,276)	188,829
	<u>1,362,105</u>	<u>(1,173,276)</u>	<u>188,829</u>
TOTAL FUNDS	<u>1,362,105</u>	<u>(1,173,276)</u>	<u>188,829</u>

Comparatives for movement in funds

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
Unrestricted funds				
General Fund	567,187	65,730	16,479	649,396
Capital Reserve	807,452	-	(16,479)	790,973
	<u>1,374,639</u>	<u>65,730</u>	<u>-</u>	<u>1,440,369</u>
TOTAL FUNDS	<u>1,374,639</u>	<u>65,730</u>	<u>-</u>	<u>1,440,369</u>

Canto Learning Limited

**Notes to the Financial Statements - continued
for the year ended 31 July 2021**

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,088,077	(1,022,347)	65,730
TOTAL FUNDS	<u>1,088,077</u>	<u>(1,022,347)</u>	<u>65,730</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
Unrestricted funds				
General Fund	567,187	254,559	32,957	854,703
Capital Reserve	807,452	-	(32,957)	774,495
	<u>1,374,639</u>	<u>254,559</u>	<u>-</u>	<u>1,629,198</u>
TOTAL FUNDS	<u>1,374,639</u>	<u>254,559</u>	<u>-</u>	<u>1,629,198</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	2,450,182	(2,195,623)	254,559
TOTAL FUNDS	<u>2,450,182</u>	<u>(2,195,623)</u>	<u>254,559</u>

Transfers between funds

The Capital Reserve is released over the life of the relating asset, allocating the transfer of fund against the depreciation charge with Unrestricted Funds.

Canto Learning Limited

Notes to the Financial Statements - continued **for the year ended 31 July 2021**

21. EMPLOYEE BENEFIT OBLIGATIONS

The company operates defined contribution, auto enrolment retirement benefit schemes for all its qualifying employees. The total expense charged to profit or loss in the period ended 31st July 2021 was £20,956 (2020: £19,179). The amount owed to the pension schemes at the year-end was £4,134 (2020: £3,628).

22. RELATED PARTY DISCLOSURES

The Director, Mr. A. Billingham, is also a Partner of Clifford Roberts Chartered Accountants, who provided accountancy services to the Charity. Included within accountancy costs are amounts totalling £6,790 paid to Clifford Roberts in respect of accountancy services conducted at arm's length by other members of the firm. At the year-end there was an unsecured credit balance outstanding of £240 (2020: £Nil).

23. AUDITOR LIABILITY LIMITATION AGREEMENT

The company has entered into a liability limitation agreement with its auditors and this agreement was approved by resolution dated 28th February 2022.

Liability is limited to the lesser of 20 times the audit fee or £80,000. In accordance with section 537 of Companies Act 2006, the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable, as determined by that section, the agreement shall have the effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of the financial statements of the company for the year ended 31st July 2021.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws or regulations.

24. POST BALANCE SHEET EVENTS

There are no events after the period end that requires reporting on.

25. FINANCIAL RISK MANAGEMENT

The company has some exposure to credit, liquidity and cashflow interest rate risks, these risks are limited by the company's financial management policies and practices described below.

Credit risk

The company offer credit terms to its customers which allows payment of the debt at a future specified time. The company mitigates this risk by maintaining strong customer relationships and regular analysis its sales ledger for troubled customers.

Liquidity risk

The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. Currently based on the cash reserves this is not deemed a significant risk.

Interest rate risk

The company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings. Apart from the Long-term loan the company does not have significant interest-bearing assets and liabilities. Fixed rate terms are agreed when considered favourable to mitigate risk.

The company holds no derivative financial instruments at the year end.

Canto Learning Limited

Detailed Statement of Financial Activities
for the year ended 31 July 2021

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	1,520	-	1,520	2,974
Other trading activities				
Fundraising events	-	-	-	152
Clothing income	3,983	-	3,983	611
Tuck shop income	649	-	649	2,537
Avon income	9,031	-	9,031	701
Other income	-	-	-	327
	<hr/>	<hr/>	<hr/>	<hr/>
	13,663	-	13,663	4,328
Investment income				
Deposit account interest	91	-	91	982
Charitable activities				
Programme income	648,049	-	648,049	300,359
Grants	698,782	-	698,782	719,597
	<hr/>	<hr/>	<hr/>	<hr/>
	1,346,831	-	1,346,831	1,019,956
Other income				
Other income	-	-	-	59,837
	<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources	1,362,105	-	1,362,105	1,088,077
EXPENDITURE				
Charitable activities				
Trustees' salaries	71,521	-	71,521	78,388
Trustees' social security	7,434	-	7,434	7,515
Trustees' pension contributions	2,056	-	2,056	2,334
Trustees' expenses	723	-	723	115
Wages	731,761	-	731,761	625,417
Social security	50,552	-	50,552	38,076
Pensions	18,901	-	18,901	16,844
Rates and water	4,771	-	4,771	5,527
Insurance	10,352	-	10,352	15,223
Light and heat	21,384	-	21,384	14,764
Telephone	8,679	-	8,679	6,528
Postage and stationery	8,807	-	8,807	7,897
Advertising	119	-	119	499
Sundries	614	-	614	898
Donations	-	-	-	25
Programme costs	53,708	-	53,708	21,244
School meals	1,649	-	1,649	370
Carried forward	993,031	-	993,031	841,664

This page does not form part of the statutory financial statements

Canto Learning Limited

**Detailed Statement of Financial Activities
for the year ended 31 July 2021**

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Charitable activities				
Brought forward	993,031	-	993,031	841,664
Student travel costs	5,123	-	5,123	266
Repairs to property	51,742	-	51,742	45,109
Waste removal	5,694	-	5,694	4,005
Motor expenses	9,851	-	9,851	5,186
Staff costs and refreshments	22,369	-	22,369	19,336
Computer expenses	5,487	-	5,487	3,966
Irrecoverable VAT	-	-	-	27,787
Bad debts	9,463	-	9,463	-
Freehold property	22,695	-	22,695	22,695
Short leasehold	2,839	-	2,839	2,719
Plant and machinery	5,345	-	5,345	5,494
Fixtures and fittings	5,223	-	5,223	4,864
Motor vehicles	345	-	345	1,187
Computer equipment	5,689	-	5,689	7,270
Loss on sale of tangible fixed assets	3,751	-	3,751	-
	1,148,647	-	1,148,647	991,548
Other				
Tuck shop costs	1,527	-	1,527	926
Clothing costs	468	-	468	128
Avon costs	2,129	-	2,129	692
	4,124	-	4,124	1,746
Support costs				
Finance				
Bank charges	718	-	718	980
Mortgage	7,897	-	7,897	10,996
	8,615	-	8,615	11,976
Governance costs				
Auditors' remuneration	4,000	-	4,000	4,100
Accountancy and legal fees	7,890	-	7,890	12,977
	11,890	-	11,890	17,077
Total resources expended	1,173,276	-	1,173,276	1,022,347
Net income	188,829	-	188,829	65,730

This page does not form part of the statutory financial statements