

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST
(Formerly St Francis' College Trust)
(A Charitable Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Charity Registered No: 287694
Company Registered No: 01724197

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Governors (who are also the charity's trustees and the company's directors) present their report (which, for the purposes of company law, includes the strategic report and the directors' report), together with the financial statements of the charity, for the year ended 31 August 2022. These financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

The company was incorporated in 1983 to assume responsibility for St Francis' College, Letchworth ('the College'), which has been educating girls since 1933. In view of the significant challenges associated with running an independent girls' school in the modern world, the Governors sought and identified a new owner for the College who would safeguard its future and enable it to continue providing the best possible education and opportunities for pupils and staff. On 12 May 2022, the College was sold to a company owned by Amit Mehta and so joined the family of independent schools run by Inspired Learning Group ('ILG'), a specialist provider of independent education in the UK (see www.inspiredlearninggroup.co.uk); more details regarding the sale of the College ('the Sale') are provided below and in the notes to the accounts.

The company's charity registration number is 287694 and its company registration number is 01724197. Its registered office and principal address were Broadway, Letchworth Garden City, Hertfordshire SG6 3PJ but, following the Sale, these were changed to Broad House, 1 The Broadway, Old Hatfield, Hertfordshire AL9 5BG on 16 November 2022.

In consequence of the Sale, the charity changed its name on 3 August 2022, from St Francis' College Trust to The Letchworth Garden City Educational Trust, to make it clear that it was no longer associated with the College.

Governors

The Governors at the date of this report and those who served during the year are as follows:

| | |
|--|-------------------|
| Mr A W Goodwin* (Chairman) | Miss E Ismay* |
| Mrs A J Aldridge* | Mr M J Dingemans* |
| Mrs P J Barlow (resigned 31 December 2021) | Dr S M Richardson |
| Mrs S J Styles (resigned 31 March 2022) | Mr G D Ritchie* |

* Members of the Finance Committee throughout the period

Senior Officers and Professional Advisers

| | |
|--|--|
| Head*: | Mrs B Goulding |
| Bursar*: | Ms C Eames |
| * Transferred to ILG on the sale of the College on 12 May 2022 | |
| Company Secretary: | Miss E Ismay |
| Principal Bankers: | Barclays Bank PLC, 5/6 High Street, Hitchin, Herts SG5 1BH |
| Solicitors: | Veale Wasborough Vizards, Narrow Quay House, Narrow Quay, Bristol BS1 4QA |
| Auditors: | Keelings Limited, Broad House, 1 The Broadway, Hatfield, Herts AL9 5BG |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management

The charity is a company limited by guarantee, with no share capital, and is governed by its Memorandum and Articles of Association.

Organisational Management

Prior to the Sale, the Board of Governors met to set strategy, determine policy and review operations at least three times a year. The Board was assisted by the Finance, Academic and Estates Committees, which were led by Governors and attended by senior College staff and, when appropriate, by professional advisors. The leadership and management of the College was delegated to the Headteacher, supported by the Deputy Headteacher, the Bursar, the Director of Studies, the Head of Sixth Form and the Head of Prep Department (together the 'Senior Leadership Team'). The Governors also met with the Senior Leadership Team during the course of each year, and at an annual 'Away Day' to consider broader issues.

Following the Sale, the Governors meet as and when required to administer the Trust. Once the Governors finish dealing with matters associated with the Sale, they intend to distribute the funds available to them in accordance with the charity's objects and, in due course, to wind up the charity.

Governing Body

The appointment, induction and retirement of Governors are conducted in line with policies approved by the Board in March 2010. Nominations are usually received from Governors; new Governors may be elected at any general meeting and are selected because of the expertise they bring to the Board. New Governors are provided with induction training and all Governors have the opportunity to attend further training and conferences as necessary.

Objects and activities

In accordance with its Memorandum of Association, the purpose of the charity is to promote and provide for the advancement of the education of children in the United Kingdom and elsewhere, such education to be designed to give a sound Christian and moral basis to all children. Following the Sale, the charity is unable to meet its objectives directly and so is looking to amend its articles of association to enable it to make appropriate educational grants and donations.

Objectives for the Year

Within the general framework of its strategic aims, the College's main objectives for the year were to:

- provide high quality teaching to girls aged between three and eighteen, so that they are prepared for the challenges of modern life and are able to contribute to the broader community;
- make its services and facilities available to the wider community; and
- find a new owner for the College with the infrastructure to support and develop the College in a manner that the College was not able to do on its own.

In setting these objectives, the Governors gave appropriate consideration to the Charity Commission's general guidance on public benefit, including that contained in 'Public Benefit: running a charity (PB2)'.

To achieve the first of these objectives, the College:

- sought to improve the quality of the education offered by recruiting and retaining the best available staff, providing all staff with high levels of support and professional training and appraising all staff regularly;
- continued to provide a wide choice of extra-curricular and after-school activities;
- maintained its links with various charities, including the Kanyike Project in Uganda;
- continued to monitor the well-being of pupils and provide pastoral care;
- maintained a high level of communication with all stakeholders; and
- continued to promote the College using a variety of media.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

To achieve the second of these objectives, the College:

- awarded means-tested bursaries; and
- made the College's resources available at favourable rates to state schools and other organisations operating for the benefit of young people.

To achieve the third of these objectives, the Governors identified ILG as the entity most suited to supporting and developing the College in a way that was acceptable to the Governors and successfully concluded a sale to ILG on 12 May 2022.

Principal activity

For nearly 90 years, since its inception in 1933, St Francis' College has faithfully served the needs of its local and wider community, and the Governors are very proud of what they, former governors and the College's senior leadership team and other staff have achieved, particularly during recent, difficult years. The Governors have a strong commitment to providing students with the best possible education and a passion for ensuring that the charity's legacy endures well into the future. The global pandemic impacted pupil numbers, leaving ongoing challenges in the recruitment of international pupils, and the College faced other financial headwinds, including the possible removal of charitable status and the impact of inflation on its cost base. For these reasons, the Governors decided to seek a long term, sustainable solution to continue to enhance the educational experience and facilities provided by the College.

After careful consideration, the Governors decided to entrust the College to ILG, a renowned educational provider. ILG was chosen as the ideal partner for the College due to its shared vision and values and its strong track record in providing world-class education. ILG has a family of twenty independent schools, supporting over 2,500 students across South-East England. It has a capable and experienced team, with an Advisory Board chaired by David Tidmarsh, former head of St Martin's, Northwood, and including Neil Roskilly, a previous Chief Executive of the Independent Schools Association.

To facilitate the new arrangements, on 12 May 2022, the operation of the College, together with all its fixed assets and staff, and certain other assets and liabilities, were transferred to St Francis College Limited, a newly-incorporated company and part of ILG. The transaction values were supported by an independent, qualified surveyor's report, to ensure compliance with the Charities Act 2011. The proceeds of the sale were used first to settle the charity's liabilities; the remaining funds will be used for charitable purposes, in line with the charity's objects.

ILG is working closely with, James Nichols, who succeeded Bronwen Goulding as Head on her retirement at the end of the 2021-22 academic year, and other members of the Senior Leadership Team, to support them in offering students the opportunity to discover and develop their full potential in terms of academic, sporting and creative achievements.

STRATEGIC REPORT

Achievements and performance

Providing high quality teaching and encouraging engagement with the broader community

At the date the College was sold, 320 (2021: 329) pupils were in attendance, of whom 28 (2021: 36) were boarders.

No public examinations were held prior to the Sale in the year under review. In the previous year, the College's academic results underlined its high standard of teaching, with an overall A-level pass rate of 100% and 78% of pupils achieving straight A*/A grades; at GCSE, 73% of grades were 7-9 (or A/A* in the old grading structure). The College's results continued to be well above the national average, with the Times Parent Power ranking the College 13th for A-level results at Girls' Independent Boarding Schools.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

That year was also another outstanding year for university applications, with all students gaining their first-choice places for Higher Education and 25% going to Oxbridge.

During the year under review, pupils took part in a wide range of extra-curricular activities that spanned academic, sport, arts and community endeavours, including participation in the Duke of Edinburgh Award Scheme, which gave pupils an opportunity to serve as volunteers in the local community. Pupils also raised funds for a variety of charities, including the Kanyike Project, which aims to relieve poverty and provide education to children in Uganda.

Providing access to services and facilities for the wider community

Bursaries, scholarships and fee concessions

The charity offered means-tested bursaries to parents who might not otherwise have been able to afford the fees usually charged by the College. However, the charity has no investments or endowments to fund bursaries, so these were necessarily limited. For the period of the year up to the Sale, which comprised just two terms, the charity awarded bursaries to 9 pupils (2021: 11), amounting to £55,440 (2021: £87,547). For the same shorter period, the charity also promoted achievement and access to the College by awarding academic, sports and arts scholarships of £185,347 (2021: £281,631) and by granting fee concessions of £26,668 (2021: £72,264) to parents with more than one child at the College and staff members.

Access to facilities

In the period prior to the Sale, the College's facilities were made available to local state schools and a variety of organisations operating for the benefit of young people. A local state school used the swimming pool, paying a donation to the College, and pupils from other local schools were invited to participate in a variety of events, such as drama and music. Letchworth Baptist Church, the Letchworth & District Scout Group and other local groups used facilities at a reduced rate prior to Covid, but in 2021/22 did not return in the months prior to the Sale.

Future plans

Once the Governors finish dealing with matters associated with the Sale, they intend to distribute the funds available to them in accordance with the charity's objects, and, in due course, to wind up the charity.

Financial review and results for the year

The charity is reporting an operating deficit of £523,000 this year (2021: deficit of £703,000). Reported income fell by £1.25m, to £4.18m, as the College was only owed by the charity for just over two terms during the year; on an annualised basis, income would have been shown to have risen by some £700,000 (9%), due to the pandemic ending and pupil numbers, particularly those boarding, improving, and the previous year's fee discount, in respect of the second lockdown, not being repeated. Annualised operating expenditure also rose, by £840,000 (14%), as a result of across-the-board cost increases. On an annualised basis, the operating deficit for the year would have been £748,500 (2021: £703,000).

As set out in note 8 to the accounts, the charity made a loss of £208,500 on the Sale, the constituents of which were the professional costs of £136,000 associated with the sale and the £73,000 write-down of fixed assets.

After adding the loss on Sale to the reported operating deficit, the charity is showing an overall deficit for the year of £731,500 (2021: £2.19m).

Over the year, cash fell by £143,000, to £983,000, but the previous year's figure was entirely comprised of fees received in advance. The charity ended the year with total assets (which were all net current assets) of £1.08m (2021: net current assets of £190,500 and total assets of £1.8m).

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy

Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. Following the Sale, the charity had total assets of £1.08m, all of which constituted Reserves and of which £983,000 (91%) was held in cash.

As the charity is winding down and will not incur any material liabilities in the future, the Governors do not have a policy as regards Reserves.

Investment policy

The Governors have the power to invest the charity's funds as they see fit and have, since the year-end, invested surplus cash in interest-bearing deposits.

Risk Management

Prior to the Sale, with the assistance of the Bursar, the Governors had assessed the major risks to which the College was exposed and satisfied themselves that systems had been established, or that other appropriate measures had been taken, to mitigate those risks, insofar as is reasonably practicable; it was recognised, however, that systems cannot give absolute assurance that risks have been eliminated. Procedures were in place to monitor health, safety, welfare (including safeguarding) and ongoing financial viability, and to implement any recommendations made following internal or external reviews (for example, ISI inspections).

Following the Sale, the Governors are satisfied that the risks to which the charity is exposed are minimal.

Statement of Governors' responsibilities

The Governors are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and their application, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate (as it is) to presume that the charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

So far as the Governors are aware:

- there is no relevant audit information (information needed by the charitable company's auditors in connection with their work) of which the charitable company's auditors are unaware, and
- they have taken all the steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Board of Governors at its meeting on 12 May 2023 and signed by order of the Board by:

Miss E Ismay
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

Opinion

We have audited the financial statements of The Letchworth Garden City Educational Trust (the 'Charity') for the year ended 31 August 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis of 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 section of this report headed 'Our responsibilities for the audit of the financial statements'. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where the Governors (who are also the directors of the Charity for the purposes of company law and its trustees for the purposes of charity law):

- have used the going concern basis of accounting in the preparation of the financial statements when it is not appropriate; or
- have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST
(continued)**

Other information

The Governors 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 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 during 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Governors' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF ST FRANCIS' COLLEGE TRUST
(continued)**

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

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

Responsibilities of the Governors

As explained more fully in the Statement of Governors' Responsibilities (set out on pages 5 and 6), the Governors 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 they 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 Governors are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller 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 auditors' report.

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF ST FRANCIS' COLLEGE TRUST
(continued)**

Use of our report

This report is made solely to the Charity'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 Charity'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 Charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Domenico Maurello (Senior Statutory Auditor)
for and on behalf of Keelings Limited
Statutory Auditors, Chartered Tax Advisers
and Chartered Certified Accountants
Broad House
1 The Broadway
Old Hatfield
Hertfordshire AL9 5BG

12 May 2023

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

| | | Unrestricted Funds 2022 £ | Restricted Fund 2022 £ | Continuing Operations 2022 £ | Discontinued Operations 2022 | Total 2022 £ | Continuing Operations 2021 | Discontinued Operations 2021 | Total 2021 £ |
|--------------------------------------|------|------------------------------------|---------------------------------|---------------------------------------|------------------------------------|--------------------|----------------------------------|------------------------------------|--------------------|
| | Note | | | | | | | | |
| INCOME: | | | | | | | | | |
| | | - | 1,950 | - | 1,950 | 1,950 | - | 6,794 | 6,794 |
| Government grants | | - | - | | | - | | 72,054 | 72,054 |
| Charitable activities: | | | | | | | | | |
| College fees | 3 | 3,784,202 | - | - | 3,784,202 | 3,784,202 | - | 4,994,127 | 4,994,127 |
| Other educational activities | 3 | 251,517 | - | - | 251,517 | 251,517 | - | 223,397 | 223,397 |
| Ancillary trading income | 3 | 72,596 | - | - | 72,596 | 72,596 | - | 111,391 | 111,391 |
| | 4 | 71,320 | - | - | 71,320 | 71,320 | - | 26,653 | 26,653 |
| Total incoming resources | | 4,179,635 | 1,950 | - | 4,181,585 | 4,181,585 | - | 5,434,415 | 5,434,415 |
| EXPENDITURE: | | | | | | | | | |
| Charitable activities: | | | | | | | | | |
| College operating costs | 7 | 4,702,453 | 3,286 | 12,964 | 4,692,775 | 4,705,739 | 12,964 | 6,124,786 | 6,137,750 |
| Total expenditure | | 4,702,453 | 3,286 | 12,964 | 4,692,775 | 4,705,739 | 12,964 | 6,124,786 | 6,137,750 |
| NET OPERATING (DEFICIT) c/fwd | | (522,818) | (1,336) | (12,964) | (511,190) | (524,154) | (12,964) | (690,371) | (703,335) |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

| | | Unrestricted Funds 2022 £ | Restricted Fund 2022 £ | Continuing Operations 2022 £ | Discontinued Operations 2022 £ | Total 2022 £ | Continuing Operations 2021 | Discontinued Operations 2021 | Total 2021 £ |
|---|------|------------------------------------|---------------------------------|---------------------------------------|---|--------------------|----------------------------------|------------------------------------|--------------------|
| | Note | | | | | | | | |
| NET OPERATING (DEFICIT) b/fwd | | (522,818) | (1,336) | (12,964) | (511,190) | (524,154) | (12,964) | (690,371) | (703,335) |
| Gain on revaluation of investment property | | - | - | - | - | - | - | 175,000 | 175,000 |
| Write-down of other tangible fixed assets | | - | - | - | - | - | - | (1,659,059) | (1,659,059) |
| Loss on sale of College | 8 | (208,538) | - | - | (208,538) | (208,538) | - | - | - |
| | | | | | | | | | |
| NET (DEFICIT) FOR THE YEAR | | (731,357) | (1,336) | <u>(12,964)</u> | <u>(719,729)</u> | (732,693) | <u>(12,964)</u> | <u>(2,174,430)</u> | (2,187,394) |
| Funds brought forward 1 September 2021 | | 1,813,757 | 1,336 | | | 1,815,093 | | | 4,002,487 |
| Funds carried forward 31 August 2022 | 14 | <u>1,082,400</u> | <u>-</u> | | | <u>1,082,400</u> | | | <u>1,815,093</u> |

The notes on pages 13 to 28 form part of these financial statements

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

(COMPANY NUMBER: 01724197)

BALANCE SHEET AS AT 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | - | | 2,237,380 |
| CURRENT ASSETS | | | | | |
| Residential property for sale | | - | | 875,000 | |
| Debtors | 10 | 181,685 | | 103,797 | |
| Cash at bank and in hand | | 982,790 | | 1,126,088 | |
| | | <u>1,164,475</u> | | <u>2,104,885</u> | |
| CREDITORS: Amounts falling due within one year | 11 | <u>82,075</u> | | <u>1,914,481</u> | |
| NET CURRENT ASSETS | | | <u>1,082,400</u> | | <u>190,404</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,082,400</u> | | <u>2,427,784</u> |
| CREDITORS: Amounts falling due after more than one year | 12 | | - | | 612,690 |
| | | | <u>1,082,400</u> | | <u>1,815,093</u> |
| FUNDS OF THE CHARITY: | | | | | |
| Restricted funds | 15 | | - | | 1,336 |
| Unrestricted funds | 15 | | 1,082,400 | | 984,443 |
| Fair value reserve | 15 | | - | | 829,314 |
| TOTAL FUNDS | 15 | | <u>1,082,400</u> | | <u>1,815,093</u> |

Approved by the Board on 12 May 2023 and signed on its behalf by:

AW Goodwin - Chairman of Governors

A Aldridge - Governor

The notes on pages 16 to 28 form part of these financial statements

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

| | 2022 | 2021 |
|--|-----------------------|-------------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net movement in funds | (732,693) | (2,187,394) |
| Interest payable | 34,582 | 10,703 |
| Depreciation | 23,175 | 96,866 |
| Gain in investment property valuation | - | (175,000) |
| Write-down of fixed assets | - | 1,659,059 |
| Loss on sale of tangible fixed assets | 64,736 | - |
| Decrease in debtors | 99,377 | 34,315 |
| (Decrease) increase in creditors | <u>(2,073,018)</u> | <u>541,290</u> |
| | <u>(1,851,148)</u> | <u>2,167,233</u> |
| Cash (absorbed) by operating activities | (2,583,841) | (20,161) |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (100,530) | (63,643) |
| Sale of residential property | 875,000 | |
| Sale of St Francis' College | <u>2,072,736</u> | <u>-</u> |
| Net cash generated from/(used) by investing activities | 2,847,206 | (63,643) |
| Cash flows from financing activities | | |
| Bank loan repayments | (372,081) | (87,741) |
| Interest | <u>(34,582)</u> | <u>(10,703)</u> |
| Net cash used by financing activities | <u>(406,663)</u> | <u>(98,444)</u> |
| Change in cash in year | (143,298) | (182,248) |
| Cash at the beginning of the year | 1,126,088 | 1,308,336 |
| Cash at the end of the year | <u>982,790</u> | <u>1,126,088</u> |

The note on page 15 forms part of this cash flow statement

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

NOTES TO THE CASH FLOW STATEMENT

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

| | Balance at 1 September 2021 | Cash flow | Balance at 31 August 2022 |
|--------------------------|-----------------------------------|-----------------------|---------------------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>1,126,088</u> | <u>(143,298)</u> | <u>982,790</u> |
| Debt | | | |
| Bank loan: | | | |
| Due within 1 year | (88,464) | 88,464 | - |
| Due after 1 year | <u>(283,617)</u> | <u>283,617</u> | <u>-</u> |
| | <u>(372,081)</u> | <u>372,081</u> | <u>-</u> |
| Total | <u><u>754,007</u></u> | <u><u>228,783</u></u> | <u><u>982,790</u></u> |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. COMPANY INFORMATION

The Letchworth Garden City Educational Trust is a charitable company limited by guarantee and registered in England & Wales as company number 01724197; its registered office is at Broad House, 1 The Broadway, Old Hatfield, Hertfordshire AL9 5BG.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019). The charity meets the definition of a public benefit entity set out in FRS 102. Assets and liabilities are measured at their historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

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

2.2 Going concern

As a result of the disposal of the College by the charity on 12 May 2022, the scale of the charity's operations was materially curtailed and the Governors will wind up the charity in due course. Consequently, the charity is no longer a going concern and so the financial statements have not been prepared on the going concern basis; however, no adjustment to any figure was required as a result of this change.

2.3 Significant judgements and estimates

In applying accounting policies, the Governors are required to make judgements, estimates and assumptions that effect the amounts reported as assets and liabilities at the balance sheet date and as revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The judgement with the most significant effect on these financial statements concerns the recoverability of debtors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES (continued)

2.4 Tangible Fixed Assets

Tangible fixed assets costing more than £1,000 are capitalised at cost, inclusive of any incidental expenses of acquisition. The Governors review the College's fixed assets annually for any indication of impairment and make provisions as necessary. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, although no depreciation was provided in the current year as all fixed assets were sold on 12 May 2022:

| | |
|---|---|
| Long leasehold property | - when preparing the 2017 accounts, the Governors reviewed the residual value of the College's long leasehold property in the light of FRS 102 and determined that it was similar to its net book value. They therefore resolved not to depreciate this asset further, unless this situation changed. Only additions to long leasehold property (and not the property itself) have been depreciated since 1 September 2017. |
| Improvements to leasehold property | - at rates varying between 4% and 10% on cost |
| Motor vehicles | - 20% on cost |
| Fixtures, fittings, furniture and equipment | - at rates varying between 10% and 33% on cost |
| Computers | - 25% or 33% on cost |

2.5 Financial Instruments

The financial assets and financial liabilities of the Charity are all basic financial instruments, as defined by FRS102. Bank loans, hire purchase and finance leases, repayable acceptance fees and fees billed in advance for more than one term are initially recognised at transaction value and measured subsequently at amortised cost. All other financial instruments are initially recognised at transaction value and measured subsequently at their settlement value.

2.6 Fund Accounting

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

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 aim and use of each restricted fund is set out in these notes.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES (continued)

2.7 Incoming Resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the performance conditions attached to the income have been satisfied, receipt is probable, and the income receivable can be measured reliably.

Amounts billed for termly fees and extra-curricular activities are recognised as incoming resources when receivable. Amounts received prior to the balance sheet date for subsequent terms are recorded as fees received in advance. Fees receivable are stated after deducting allowances, bursaries and other remissions granted by the College.

2.8 Government Grants

Income from Government grants, being in respect of the Job Retention Scheme, is recognised when the College has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

2.9 Resources Expended

Expenditure is recognised when there is a legal or constructive obligation for a payment to a third party, settlement is probable and the amount of the obligation can be measured reliably. Value added tax is not recoverable and is therefore included in the relevant expense.

All expenditure is classified under headings that aggregate all costs related to the category; where costs cannot be attributed directly to particular headings, they are allocated to activities on a basis consistent with the use of the resources.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. They include the cost of board meetings, Governors' insurance and audit fees.

2.10 Pension Schemes

The charity contributed to the Teachers' Pension Defined Benefits Scheme, which is a multi-employer pension scheme, at rates set by the Scheme Actuary and as advised to the charity by the Scheme Administrator. It is not possible to identify the assets and liabilities that are separately attributable to the College and therefore, in accordance with FRS102, the scheme is accounted for as a defined contribution scheme. Contributions payable for the year, as advised by the Scheme Administrator, are charged to that year's SOFA.

For non-teaching staff, the charity also contributed to individual personal pension schemes. These are all defined contribution schemes. Contributions payable for the year are charged to that year's SOFA.

2.11 Operating Leases

Rent payable under operating leases are charged to the SOFA on a straight line basis over the lease term.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

3. INCOME FROM CHARITABLE ACTIVITIES

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| College fees | | |
| Gross tuition fees | 4,051,525 | 5,454,573 |
| Less: scholarships, bursaries, discounts and allowances | (267,322) | (460,446) |
| | <u>3,784,202</u> | <u>4,994,127</u> |
| Other educational activities | | |
| Language, music, dance and other tuition | 201,408 | 199,914 |
| College trips and courses | 44,220 | 19,523 |
| Other activities | 5,888 | 3,961 |
| | <u>251,517</u> | <u>223,397</u> |
| Ancillary trading income | | |
| Coach, taxis and other pupil travel | 46,913 | 70,151 |
| Exam fees | 3,071 | 5,367 |
| Pupil insurance | 2,636 | 8,592 |
| Registration & entrance fees | 12,100 | 15,756 |
| After-school clubs | 2,408 | 823 |
| Other activities | 5,469 | 10,702 |
| | <u>72,596</u> | <u>111,391</u> |

4. ACTIVITIES FOR GENERATING FUNDS

| | | |
|---|---------------|---------------|
| Letting of College facilities | 41,608 | 25,653 |
| Non-repayable acceptance fees and charges for late fees | 29,712 | 1,000 |
| | <u>71,320</u> | <u>26,653</u> |

5. EXPENDITURE

The year's net operating deficit is stated after charging:

| | | |
|---|--------|--------|
| Depreciation – owned assets | 23,175 | 96,866 |
| Operating lease rentals | 36,744 | 34,495 |
| Auditors' remuneration for audit | 7,000 | 7,000 |
| Auditors' remuneration for other services | 11,000 | 5,000 |
| Bank and other loan interest | 34,582 | 10,703 |
| Governors' liability insurance | 964 | 964 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

6. STAFF COSTS

| | 2022 | 2021 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Salaries and wages | 2,242,677 | 3,156,294 |
| Social security | 219,663 | 306,029 |
| Pension contributions | 401,210 | 529,266 |
| | <u>2,863,550</u> | <u>3,991,588</u> |

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

| | 2022 | | 2021 | |
|--------------------|-------------|----------------------|-------------|----------------------|
| | Individuals | Full-time equivalent | Individuals | Full-time equivalent |
| Teaching staff | 54 | 42 | 80 | 62 |
| Non-teaching staff | 29 | 19 | 30 | 20 |
| | <u>83</u> | <u>61</u> | <u>110</u> | <u>82</u> |

Save in this paragraph, the figures in this note reflect the fact that the College was sold on 12 May 2022 and all employees transferred to the new owner on that date. Had this not happened, the charity is likely to have reported an average of 110 employees for the year (2021: 110) and total staff costs for the year of £4,098,830 (2021: £3,991,558).

One employee (2021: no employees) received emoluments that fell in the band between £90,000 and £100,000. With respect to this employee, the charity is contributing to a defined benefit pension scheme.

One employee (2021: no employees) received emoluments that fell in the band between £60,000 and £70,000. With respect to this employee, the charity is contributing to a defined contribution pension scheme.

During the year, no remuneration (2021: no remuneration) was paid to Governors. In addition to the Governors, the key management personnel of the College included the Head, the Deputy Head, the Director of Studies, the Head of Sixth Form, the Head of Prep and the Bursar. The aggregate employment payments, including employer's pension contributions, to or for these employees amounted to £393,840 (2021: £483,535).

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Staff Costs | Other | Depreciation | 2022 Total | 2021 Total |
|---------------------------------|------------------|------------------|---------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Charitable activities | | | | | |
| College operating costs | | | | | |
| Teaching | 2,250,661 | 250,537 | 22,607 | 2,523,805 | 3,356,268 |
| Welfare | - | 561,862 | 63 | 561,925 | 693,367 |
| Premises | 112,200 | 426,335 | 442 | 538,977 | 727,173 |
| Support | 589,163 | 385,575 | 63 | 974,801 | 1,287,984 |
| Governance | - | 106,230 | - | 106,230 | 72,958 |
| Total resources expended | <u>2,952,025</u> | <u>1,730,540</u> | <u>23,175</u> | <u>4,705,739</u> | <u>6,137,750</u> |

Staff costs include payments of £88,474 (2021: £97,614) to peripatetic and agency staff.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

8. LOSS ON SALE OF COLLEGE

| | |
|---|-------------------------|
| Proceeds received and receivable on sale of St Francis' College | 2,250,000 |
| Less: | |
| Net book value of tangible fixed assets sold | (2,314,736) |
| Book value of other net assets sold | (8,006) |
| Legal & professional fees of sale | (135,796) |
| Loss on sale of College | <u><u>(208,538)</u></u> |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

9. TANGIBLE FIXED ASSETS

| | Long Leasehold Land and Property £ | Motor Vehicles £ | Fixtures, Fittings, Furniture and Equipment £ | Computers £ | Total £ |
|--------------------------|--|------------------------|--|----------------|-------------|
| COST OR VALUATION | | | | | |
| At 1 September 2021 | 3,674,785 | 97,584 | 1,570,125 | 388,662 | 5,731,156 |
| Additions | - | - | 2,736 | 97,794 | 100,530 |
| Disposals | (3,674,785) | (97,584) | (1,572,861) | (486,456) | (5,831,686) |
| At 31 August 2022 | - | - | - | - | - |
| DEPRECIATION | | | | | |
| At 1 September 2021 | 1,437,404 | 97,584 | 1,570,125 | 388,662 | 3,493,775 |
| Charge for year | - | - | 631 | 22,544 | 23,175 |
| Depreciation on disposal | (1,437,404) | (97,584) | (1,570,756) | (411,206) | (3,516,950) |
| At 31 August 2022 | - | - | - | - | - |
| NET BOOK VALUE | | | | | |
| At 31 August 2022 | - | - | - | - | - |
| At 31 August 2021 | 2,237,381 | - | - | - | 2,237,381 |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

10. DEBTORS

| | 2022 | 2021 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Debtors re fees and lettings | 4,421 | 24,462 |
| Prepayments and accrued income | - | 79,335 |
| Due from buyer of College | 177,265 | - |
| | <u>181,685</u> | <u>103,797</u> |

11. CREDITORS: Amounts falling due within one year

| | 2022 | 2021 |
|---------------------------------|---------------|------------------|
| | £ | £ |
| Bank loan | - | 88,464 |
| Trade creditors | 25,173 | 237,497 |
| Fees received in advance | - | 1,280,036 |
| Repayable acceptance fees | - | 26,695 |
| Social security and other taxes | - | 74,313 |
| Other creditors | - | 59,003 |
| Accrued expenses | 56,903 | 148,473 |
| | <u>82,075</u> | <u>1,914,481</u> |

The College received acceptance fees when pupils joined and these were repayable when they left. Acceptance fees that were held for pupils who have left, or who were expected to leave before the next balance sheet date, were included within creditors falling due within one year, with the balance shown as repayable after one year. All such balances at 12 May 2022 were transferred to the new owner on the sale of the College.

Following the sale of the College, the bank loan was repaid and other creditors paid.

12. CREDITORS: Amounts falling due after more than one year

| | 2022 | 2021 |
|---------------------------|----------|----------------|
| | £ | £ |
| Bank loan | - | 283,617 |
| Repayable acceptance fees | - | 295,838 |
| Fees received in advance | - | 33,235 |
| | <u>-</u> | <u>612,690</u> |

Following the sale of the College, the bank loan was repaid and the liabilities for repayable acceptance fees and fees received in advance were transferred to the new owner.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

13. FEES RECEIVED IN ADVANCE

Fees received in advance comprise the following:

| | 2022 | 2021 |
|---|----------|------------------|
| | £ | £ |
| Fees received in respect of the next academic year | - | 1,280,036 |
| Fees received in respect of subsequent academic years | - | 33,235 |
| | <u>-</u> | <u>1,313,271</u> |

Fees in advance related only to pupils remaining at the College; the liability for these at 12 May 2022 was transferred to the new owner.

14. BANK LOANS, HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

The charity's borrowings matured as follows:

| | 2022 | 2021 |
|---|----------|----------------|
| | £ | £ |
| In less than one year | - | 88,464 |
| In more than one year but less than two years | - | 91,154 |
| In more than two years but less than five years | - | 192,463 |
| After five years | - | - |
| | <u>-</u> | <u>372,081</u> |

Bank borrowings were secured on the College's assets and were repaid in full on 12 May 2022, when the College was sold.

15. STATEMENT OF FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total £ |
|--|----------------------------|--------------------------|------------------|
| Fund balances at 31 August 2022 were represented by: | | | |
| Tangible fixed assets | - | - | - |
| Current assets | 1,164,475 | - | 1,164,475 |
| Creditors due within one year | (82,075) | - | (82,075) |
| Creditors due after one year | - | - | - |
| | <u>1,082,400</u> | <u>-</u> | <u>1,082,400</u> |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

15. STATEMENT OF FUNDS (continued)

| | Balance at 1 September 2021 £ | Incoming Resources £ | Realised on sale £ | Resources Expended £ | Loss on sale of business £ | Balance at 31 August 2022 £ |
|--------------------|--|----------------------------|--------------------------|----------------------------|-------------------------------------|--------------------------------------|
| Unrestricted funds | 984,443 | 4,179,635 | 829,314 | 4,702,453 | 208,538 | 1,082,400 |
| | 829,314 | - | (829,314) | - | - | - |
| Restricted funds: | | | | | | |
| Equipment Fund | 1,336 | 1,950 | - | 3,286 | - | - |
| | 1,336 | 1,950 | - | 3,286 | - | - |
| Total funds | 1,815,093 | 4,181,585 | - | 4,705,739 | 208,538 | 1,082,400 |

The Equipment Fund was comprised of donations and grants received to purchase specific items of equipment. If there was no restriction on how or where the equipment is to be used, then, once the purchase had been made, the cost of the equipment was transferred to unrestricted funds. On the sale of the College, the balance of the fund of £1,336 that was represented by unspent cash was transferred to the new owner, subject to the same restrictions.

16. TAXATION

The company is a registered charity and is exempt from taxation on income arising from charitable activities; thus no liability for taxation has arisen during the year.

17. COMMITMENTS UNDER OPERATING LEASES

Annual commitments under non-cancellable operating leases are as follows:

| | 2022 £ | 2021 £ |
|------------------------------|-----------|-----------|
| Expiring: | | |
| - within one year | - | 6,043 |
| - between two and five years | - | 2,994 |
| | - | 9,037 |

On the sale of the College on 12 May 2022, responsibility for these leases transferred to the new owner.

18. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member, in the event of a winding-up, is limited to £1.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

19. PENSION SCHEMES

The charity participated in the Teachers' Pension Scheme (England and Wales) ('the TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £368,407 (2021: £505,433). At the year-end, £16,494 (2021: £58,235) was owed in respect of this scheme.

The TPS is an unfunded, multi-employer, defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a 'pay as you go' basis, with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid from public funds provided by Parliament.

To comply with legislation, employees who did not already participate in a workplace pension scheme were enrolled automatically into a new group personal pension plan on 1 May 2014. This scheme is a defined contribution scheme and employees have the right to opt out of it. Contributions to this scheme and to other defined contribution schemes are held in funds administered independently by insurance companies.

The charity's total pension contributions payable for the year were £384,715 (2021: £529,266). At the balance sheet date, the charity owed pension contributions of £16,494 (2021: £58,937).

During the year, prior to the Sale, notice was given to the TPS that the College would leave this scheme on 31 August 2022. From that date, teaching staff would be offered membership of a defined contribution pension scheme.

20. ULTIMATE CONTROLLING PARTY

The charity is controlled by the Governors.

21. RELATED PARTY TRANSACTIONS

No remuneration or expenses was paid to any Governor during the year, but the charity did pay £964 (2021: £964) for Governors' indemnity insurance. During the year, one Governor (2021: one) was charged tuition fees of £18,450 (2021: £33,318), on the same terms as other parents. Two members (2021: two) of the Senior Leadership Team were charged tuition fees totalling £24,412 (2021: £18,138), after receiving the usual discounts available to staff members and scholarships.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Restricted Fund £ | Total 2021 £ |
|--|----------------------------|-------------------------|--------------------|
| INCOME: | | | |
| Donations | - | 6,794 | 6,794 |
| Government Grants | - | 72,054 | 72,054 |
| Charitable activities: | | | |
| College fees | 4,994,127 | - | 4,994,127 |
| Other educational activities | 223,397 | - | 223,397 |
| Ancillary trading income | 111,391 | - | 111,391 |
| Other trading activities | 26,653 | - | 26,653 |
| Interest receivable | - | - | - |
| | <u>5,355,568</u> | <u>78,847</u> | <u>5,434,415</u> |
| EXPENDITURE: | | | |
| Charitable activities: | | | |
| College operating costs | 6,058,903 | 78,847 | 6,137,750 |
| Total expenditure | <u>6,058,903</u> | <u>78,847</u> | <u>6,137,750</u> |
| Gain on revaluation of investment property | 175,000 | - | 175,000 |
| Write-down of other tangible fixed assets | (1,659,059) | - | (1,659,059) |
| NET (EXPENDITURE)/INCOME | | | |
| (including property revaluation and fixed asset) | (2,187,394) | - | (2,187,394) |
| Funds brought forward 1 September 2020 | 4,001,151 | 1,336 | 4,002,487 |
| Funds carried forward 31 August 2021 | <u>1,813,757</u> | <u>1,336</u> | <u>1,815,093</u> |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

23. FINANCIAL INSTRUMENTS

| | 2022 | 2021 |
|--|---------------|----------------|
| Financial liabilities measured at amortised cost | <u>-</u> | <u>727,849</u> |
| Interest on financial liabilities measured at amortised cost | <u>34,582</u> | <u>10,703</u> |

Financial instruments measured at amortised cost comprise bank loans, repayable acceptance fees and fees billed in advance for terms other than the imminent one.

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

Schedules to the Balance Sheet as at 31 August 2022

CURRENT ASSETS

Debtors

| | | |
|---|---------------------|-------|
| Owed for fees & lettings | | |
| Pre-summer term | 116,910.33 | |
| Less: bad debt provision against pre Summer debtors | <u>(112,489.03)</u> | |
| (received post-year-end) | <u>4,421.30</u> | 4,421 |

Due from ILG

| | | |
|--|---------------------|--|
| Deferred payment (including minor error on initial completion payment) | 305,100.00 | |
| Gross owed per final completion statement | <u>(207,587.56)</u> | |
| | 97,512.44 | |

| | | |
|--|------------------|------------|
| Paid post 31/8 by ILG | 51,518.77 | |
| Net amounts received into charity bank account after Sale but belonging to ILG | <u>45,993.67</u> | |
| | <u>97,512.44</u> | |
| Less: restricted fund transferred to buyer | | (1,336.00) |

| | | | |
|-------|---|--------------------|---------|
| Add: | Unpaid summer term debtors | 79,336.07 | |
| | Summer term fees received by ILG | 16,007.70 | |
| | Receipt re Tony Iwediebo received by Trust but wrongly treated as due to ILG in completion a/cs | 5,234.65 | |
| Less: | Fee ledger credit balance due to ILG | <u>(19,489.80)</u> | |
| | | <u>177,265.06</u> | 177,265 |

| | | |
|---------|--|---------|
| Debtors | | 181,685 |
|---------|--|---------|

Cash at bank

| | | |
|--------------------------|-------------------|------------------|
| Barclays current account | <u>982,789.66</u> | 982,790 |
| | | <u>1,164,476</u> |

THE LETCHWORTH GARDEN CITY EDUCATIONAL TRUST

Schedules to the Balance Sheet as at 31 August 2022

CREDITORS DUE WITHIN ONE YEAR

Trade creditors

Purchase ledger balances

| | |
|-----------------------------------|-----------------|
| Affixxius Films | 513.04 |
| British United Education Services | 1,875.00 |
| CHE Intercultural Exchange | 1,738.50 |
| Hopeland Enterprise | 922.50 |
| Scholastic | 104.79 |
| The Way to the UK | 1,738.50 |
| UKEI | 625.00 |
| Viking | 92.40 |
| Zani Antonella | 1,098.00 |
| | <u>8,707.73</u> |

Fee ledger credit balances

| | |
|--|-----------|
| Brian Barso - cash April 22 credit £583.29 | 4,583.29 |
| Lydia Alden - summer 22 credit | 294.00 |
| Leah Ditcham - re cyber insurance claim | 3,445.80 |
| Lee Gladman | 230.00 |
| Tim Haywood | 746.00 |
| Katya Khalilova | 106.00 |
| Sy Que Vo | 7,060.00 |
| Xiaowei Shen | 19,489.80 |

Less: due to ILG (cyber insurance claim)

| | |
|--------------|--------------------|
| Xiaowei Shen | <u>(19,489.80)</u> |
|--------------|--------------------|

16,465.09

25,172.82

25,173

Accruals

JHK re audit & accountancy

| | |
|--|------------------|
| Final completion statement (£3,500 plus Vat) | 4,200.00 |
| Bookkeeping (£1,500 plus Vat) | 1,800.00 |
| Audit & accounts (£10,000 plus Vat) | <u>12,000.00</u> |

18,000.00

First Actuarial re Teachers pension

17,434.80

Veale Wasborough Vizards - various

1,478.15

Crane & Staples

1,800.00

Interm IT - old invoice 1 April 22 to 12 May 22

210.50

Arrears of pension contributions - Debra Bassnett

16,494.42

Agency commissions

2,549.67

Refund from Hettle Andrews re insurance

(1,064.14)

56,903.40

56,903

82,076