

**Report of the Trustees and
Financial Statements For The Year Ended 31st December 2019**

for
New London Educational Trust

Aston Shaw Limited
Chartered Certified Accountants
Statutory Auditor
The Union Building
51-59 Rose Lane
Norwich
Norfolk
NR1 1BY

New London Educational Trust

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For The Year Ended 31st December 2019**

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**Report of the Trustees
For The Year Ended 31st December 2019**

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 31st December 2019. 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).

Principal Activities

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our Vision:

NLET's vision is to be a progressive educational charity providing opportunities to individuals to grow, achieve and improve their life chances through education, training and employment-based activities.

Our Mission Statement

To be a key player in the education sector by developing skills, enhancing knowledge and improving standards of people from all ages, communities and backgrounds.

Our Values

The values that we hold and aspire to put into our work at NLET are the following:

- Care and compassionate support for all learners, especially those who could be vulnerable, marginalised or lacking confidence
- Quality service to all individuals who contact, enquire, enter or become a learner
- Listen and respond empathetically to every learner or individual
- Generosity in allowing people another chance
- Respect for all: valuing each person, their experience, opinions and choice

Our Principles

The principles we uphold and flow into our daily, weekly and monthly work are critical in determining the professional nature of our work:

- Integrity - express in honesty and reliability, transparency, accountability and trustworthiness
- Inclusiveness - welcoming people from all backgrounds, treating them fairly, recognising and valuing their distinctiveness as individuals
- Empowerment - creating an environment which enables people to take control of their learning, skills and life chances, by listening to them and offer choice wherever possible
- Equality - in the delivery of education and training to our learners and employed staff; recognising and valuing diversity of the communities we serve
- Collaboration - through our enthusiasm and commitment for working in partnership with others

The five areas embody and help shape the work of NLET from working with marginalised groups, underachievers through to working in collaboration with key organisations.

New London Educational Trust

Report of the Trustees For The Year Ended 31st December 2019

STRATEGIC REPORT Financial position REVIEW OF THE YEAR

The years 2019 and 2020 have been successful for NLET in developing a number of key contracts, establishment of new centres within and outside London, and in establishing robust financial controls, stability and sustainability. In October 2020, NLET opened a branch in West Ealing to service the delivery of a new employment related support contract.

There has been significant growth in both the ESFA funded prime contracts, (Advanced Learner Loans and Apprenticeship). This has resulted in extensive marketing for both funding streams alongside the newly secured contracts. Learner success and achievement rates has remained stable for both these contracts.

NLET was successful in winning a European Social Fund (ESF) contract administered by the Greater London Authority (GLA). The ESF London Learning project is an integrated programme of in-work skills development activities and employer-led activities, combined with wraparound pastoral and personal development support. Through this project NLET has established working relationship with Chambers of Commerce and West London Business network

NLET has also secured a delivery subcontract funded through the Department for Work & Pensions (DWP) and West London Alliance (WLA). This contract sees NLET working with the sub-regional Prime Contractor, Shaw Trust. The contract is called Work and Health Programme - Job Entry Targeted Support (WHP JETS). Launched on Monday 19 October 2020, WHP JETS is designed to support West London residents that have recently become unemployed due to Covid-19 and the associated economic downturn, gain sustainable employment. The programme aims to deliver innovative digital employment support and skills interventions, integrating with local services and supporting the economic recovery of West London residents and businesses. NLET is delivering the contract through our new office in West Ealing.

We have successfully completed the delivery of AEB subcontracts in 2019 and during 2019-20 we have secured three new subcontracts for Traineeships and a subcontract for Apprenticeship. However, these subcontracts did not achieve the expected outcomes as one of the prime contractors has gone into administration resulting in significant bad debts to NLET. The second prime contractor is facing an audit and investigation by the ESFA, which has resulted in terminating the subcontract. The Board of Trustees have decided not to authorise any new subcontracts in Apprenticeships and Traineeships.

During 2020, there has been capping on surplus funds drawdown from the Apprenticeship Procured Contract due to registrations that were in excess of our contract allocation. There had been an expectation that there would be some growth in the 16-18 funding, but this did not materialise. This has resulted in significant unfunded costs to NLET as these learners had to be funded from our own resources. The Digital Apprenticeship Service (DAS), launched in 2020, is a robust system which does not allow for such errors in learner registrations and decision-making.

The NLET Tuition Academy for children has had significant impact due to the pandemic, resulting in closure of face-to-face tutoring services. We are exploring the launch of an online academy in the future.

Going concern

An internal audit was carried out in 2020, which identified significant overpayments to two suppliers. One of the suppliers has made a formal agreement to repay the funds in 2021. The second supplier has agreed to allocate the amount to future invoices for services provided to NLET, which has resulted in recovering most of the funds.

It has also been identified that there has been misappropriation of funds by an employee working in the Finance department, who has now been dismissed, and efforts are being made to recover the funds. New checks, controls and book-keeping processes have been implemented in order to safeguard and prevent any reoccurrence.

The ESFA is currently investigating possible irregularity in the recruitment of apprenticeship learners, which has resulted in a pause in the drawdown of funds. This has impacted only the Apprenticeship contract and, if the contract is terminated for any unforeseen reasons, this will have a significant impact on the charity's revenue. However, this will not result in impacting the overall ongoing sustainability.

The Trustees have implemented robust processes and controls in all areas of business, with particular focus on finance, and have re-evaluated the business strategy and direction in order to secure the future and finances of the organisation. This has resulted in change in management and implementation of a digital strategy to ensure transparency and accountability in all areas of business.

**Report of the Trustees
For The Year Ended 31st December 2019**

STRATEGIC REPORT

Future plans

NLET has undergone significant changes during the last year to establish financial controls, achieve growth targets and quality outcomes. As significant amount of revenue is generated through contracts funded by executive government agencies, we are implementing a digital strategy to enable transparency, accountability, efficiency and sustained growth.

Our challenges over the next five years:

- Changes in government legislation and economic policies
- Compliance at audit inspections that reflect the quality of delivery, leadership and operations
- Impact of Covid-19 on the education sector and long-term changes in the delivery model
- Brexit and its impact on funding, learner numbers and skills training
- Staffing with the level of skills, experience and knowledge to ensure we meet and exceed the required standards and performance indicators
- Ensuring we meet all the standards and needs in relation to safeguarding and vulnerable adults
- Ensuring we are fully compliant with data protection regulations.

Strategy and Direction

NLET has been working over a period of time in developing, shaping and positioning itself and its strategies going forward. Our plans for future are ambitious and wide-ranging and will lead to considerable improvements in the way we function, communicate, learn and grow. We need to continue to innovate, to be flexible and to be ready to seize new opportunities and to work together with the common objective of providing our customers with the best possible educational and life experiences.

Our key objectives are to:

- To be a centre of excellence in education and training
- Always put our customers first, to keep them safe, and to strive to exceed their expectations
- Offer our students a more personalised, memorable and stimulating educational and life experience
- Actively seek growth and continue to take market share
- Operate more efficiently and profitably and ensure that technological advantages are fully maximised
- Develop reliable data that helps to inform our key decision-making
- Pursue a progressive and symbiotic relationship with the education and skills funding agencies
- To assist in driving the economic growth in our region and other key regions through the delivery of education and skills aligned to local economic priorities and employment needs
- To be socially responsible and accountable
- Be open to strategic partnerships that can leverage our advantages and assets
- Be an exemplary, fair, responsible and engaged employer

The Board will monitor progress during the year.

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.

Members' Liability

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

Trustees' Indemnities

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

Recruitment and appointment of new trustees

Trustee Board

All trustee appointments are interviewed, assessed and approved by the Board of Trustees. Applications for trustees are encouraged from all sections of the community that reflect the diversity and range of community and business groups NLET work with.

**Report of the Trustees
For The Year Ended 31st December 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

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

The Trustees and the Senior Management Team are responsible for Policy and Procedures, the Budget, new projects and making decisions about major capital expenditure and appointments.

The Senior Management Team are responsible for the authorisation of spending the agreed budget and the appointment of all staff, except staff appointment to the Senior Management Team. The appointment of the latter must include a Trustee.

Subsidiary Companies

Training Innovators Limited (registered office: Sceptre House, 75-81 Staines Road, Hounslow, London TW3 3HW) is a dormant company purchased by the trust on 13 July 2018. Its shares are held by New London Educational Trust ("NLET").

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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

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

The Executive Team/SMT is responsible and accountable for the day-to-day compliance and implementation of the above.

The process and systems used within the charity for internal controls are designed to provide regular, reasonable and timely, but not absolute assurance against misstatement or loss. They can include:

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

Report of the Trustees For The Year Ended 31st December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Community and Business

NLET proactively markets itself by establishing constructive links with local and regional groups and charities. We have established partnerships with the sub-regional Chamber of Commerce for Hounslow, Ealing, Hammersmith and Fulham as well as one of the leading employer advisory services in London, West London Business (WLB). This is in addition to working with other companies and employers within the region.

These collaborative partnerships and relationships are central to the work of NLET. We pride ourselves in working across all community groups in the region which supports our charity objectives.

Stakeholder Relationships

As an Educational Charity providing a broad and diverse range of services, NLET has many stakeholders. These include:

- Students/Learners
 - Staff Members
 - Businesses and Employers
 - Parents
 - Local Authorities
 - Local Community
 - Education and Skills Funding Agencies
 - Government offices and Enterprise Partnerships
 - Other FE and Training Providers

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

Registered Charity number
1142105

Registered office
Sceptre House 75-81
Staines Road
Hounslow
London
TW3 3HW

Trustees

- V Akula (resigned 27/10/20)
S Panchal (resigned 27/10/20)
Ms S Baddam (appointed 6/1/20)
E M Afotey (appointed 27/10/20)
V Neela (appointed 27/10/20)

Company Secretary

Auditors

Auditors
Aston Shaw Limited
Chartered Certified Accountants
Statutory Auditor
The Union Building
51-59 Rose Lane
Norwich
Norfolk
NR1 1BY

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.

New London Educational Trust

Report of the Trustees For The Year Ended 31st December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of New London Educational Trust for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Aston Shaw Limited, 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, on05/05/2021..... and signed on the board's behalf by:



.....
Ms S Baddam - Trustee

**Report of the Independent Auditors to the Members of
New London Educational Trust**

Opinion

We were engaged to audit the financial statements of New London Educational Trust (the 'charitable company') for the year ended 31st December 2019 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).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

During the audit of the financial statement's year ended 31 December 2019, various issues came to our attention which have caused significant uncertainty in relation to the financial statements.

Weaknesses have been identified in relation to the internal controls and procedures. As a result of the lack of controls in place there is material uncertainty in relation to possible misappropriation, error, or omission in the financial statements.

During the period under review a loan was made to a former trustee. No evidence has been provided to confirm the recoverability of the loan and no action has been taken to recover the sums involved. It was also identified that there has been a misappropriation of funds by a former employee.

Other Matters

The charity is currently being investigated by the Education and Skills Funding Agency (ESFA) for possible irregularity in the recruitment of apprenticeship learners, which has resulted in a pause in the drawdown of funds.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic Report. and the Report of the Trustees.

Arising from the limitation of our work referred to above:

- We were unable to determine whether adequate accounting records were kept.

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, in our opinion:

- our audit has 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.

**Report of the Independent Auditors to the Members of
New London Educational Trust**

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.

Our responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the 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.

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.

Dominic Shaw FCCA (Senior Statutory Auditor)
for and on behalf of Aston Shaw Limited
Chartered Certified Accountants
Statutory Auditor
The Union Building
51-59 Rose Lane
Norwich
Norfolk
NR1 1BY

Date: 5th May 2021

For The Year Ended 31st December 2019

				31/12/19 Total funds £	31/12/18 Total funds as restated £
		Notes	Unrestricted fund £	Restricted fund £	
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	282,215	1,868,255	2,150,470	2,047,662
Other income		<u>124,144</u>	<u>-</u>	<u>124,144</u>	<u>105,460</u>
Total		406,359	1,868,255	2,274,614	2,153,122
EXPENDITURE ON					
Charitable activities	3				
Direct training costs			-	1,291,721	1,291,721
Overheads		<u>124,213</u>	<u>935,086</u>	<u>1,059,299</u>	<u>1,228,160</u>
Total		124,213	2,226,807	2,351,020	1,793,684
NET INCOME/(EXPENDITURE)		282,146	(358,552)	(76,406)	359,438
Transfers between funds	14	<u>(368,613)</u>	<u>368,613</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(86,467)</u>	<u>10,061</u>	<u>(76,406)</u>	<u>359,438</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		558,369	10,000	568,369	208,931
TOTAL FUNDS CARRIED FORWARD		<u>471,902</u>	<u>20,061</u>	<u>491,963</u>	<u>568,369</u>

The notes form part of these financial statements

New London Educational Trust

Balance Sheet
31st December 2019

		Unrestricted fund	Restricted fund	31/12/19 Total funds	31/12/18 Total funds as restated
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10	54,362	-	54,362	62,678
Investments	11	5,000	-	5,000	5,000
		59,362	-	59,362	67,678
CURRENT ASSETS					
Debtors	12	475,595	122,422	598,017	375,773
Cash at bank and in hand		55,200	-	55,200	243,943
		530,795	122,422	653,217	619,716
CREDITORS					
Amounts falling due within one year	13	(118,255)	(102,361)	(220,616)	(119,025)
		—	—	—	—
NET CURRENT ASSETS		<u>412,540</u>	<u>20,061</u>	<u>432,601</u>	<u>500,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		471,902	20,061	491,963	568,369
		—	—	—	—
NET ASSETS		<u>471,902</u>	<u>20,061</u>	<u>491,963</u>	<u>568,369</u>
FUNDS	14				
Unrestricted funds:					
General fund				471,902	558,369
Restricted funds:				20,061	10,000
Specific fund					
TOTAL FUNDS				<u>491,963</u>	<u>568,369</u>

The financial statements were approved by the Board of Trustees and authorised for issue on
..... 05/05/2021 and were signed on its behalf by:


.....
S Baddam - Trustee

Cash Flow Statement
For The Year Ended 31st December 2019

		31/12/19	31/12/18 as restated
MOVEMENT IN CASH AND CASH EQUIVALENTS	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(181,603)	249,188
Finance costs paid		<u>(1,865)</u>	<u>(317)</u>
Net cash (used in)/provided by operating activities		<u>(183,468)</u>	<u>248,871</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,275)	(10,740)
Purchase of fixed asset investments		<u>-</u>	<u>(5,000)</u>
Net cash used in investing activities		<u>(5,275)</u>	<u>(15,740)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		(188,743)	233,131
Cash and cash equivalents at the end of the reporting period		<u>243,943</u>	<u>10,812</u>
		<u>55,200</u>	<u>243,943</u>

The notes form part of these financial statements

New London Educational Trust

**Notes to the Cash Flow Statement
For The Year Ended 31st December 2019**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31/12/19	31/12/18 as restated
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(76,406)	359,438
Adjustments for:		
Depreciation charges	13,591	14,328
Finance costs	1,865	317
Increase in debtors	(222,244)	(236,223)
Increase in creditors	<u>101,591</u>	<u>111,328</u>
Net cash (used in)/provided by operations	<u>(181,603)</u>	<u>249,188</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Cash at bank and in hand	<u>243,943</u>	<u>(188,743)</u>	<u>55,200</u>
	<u>243,943</u>	<u>(188,743)</u>	<u>55,200</u>
Total	<u>243,943</u>	<u>(188,743)</u>	<u>55,200</u>

**Notes to the Financial Statements
For The Year Ended 31st December 2019**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Changes in accounting policies

Fund Allocation

The charity has changed their accounting policy regarding the fund allocation. The charity receives a monthly fund allocation to spend on the education in that particular month.

The charity considers they have met their obligations each month once the education has been provided.

Therefore where there is an excess fund from direct costs each month, a proportion of indirect costs have been allocated to reflect their obligations being met. Any further surplus is transferred to the unrestricted fund.

A provision is made for any potential fund cancellations.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Restricted income includes Income received from the Education Skills Funding Agency which is specific to the tuition and examinations of students on an apprenticeship scheme and 19+ loan provision. Income is recognised on a monthly basis when the money is owed.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of funds. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The overhead cost allocation between the restricted and unrestricted funds have been in line with the agreed split of costs with the fund suppliers.

Every month the charity will receive the funds which is used to spend on supplying education. Once the charity has met its obligations for the month. Any surplus in funds will be allocated to the unrestricted fund account.

A provision is made for any potential fund cancellations.

Tangible fixed assets

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

Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

New London Educational Trust

Notes to the Financial Statements - continued For The Year Ended 31st December 2019

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	31/12/19	31/12/18 as restated
	£	£
Income	<u>2,150,470</u>	<u>2,047,662</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs	£
Direct training costs	<u>1,291,721</u>	

4. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Other resources expended	<u>39,038</u>	<u>1,865</u>	<u>13,018</u>	<u>53,921</u>

5. NET INCOME/(EXPENDITURE)

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

	31/12/19	31/12/18 as restated
	£	£
Depreciation - owned assets	<u>13,591</u>	<u>14,328</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2019 nor for the year ended 31st December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2019 nor for the year ended 31st December 2018.

Notes to the Financial Statements - continued
For The Year Ended 31st December 2019

7. STAFF COSTS

	31/12/19	31/12/18 as restated
	£	£
Wages and salaries	612,670	412,528
Social security costs	54,897	27,962
Other pension costs	<u>28,581</u>	<u>4,030</u>
Total	<u>696,148</u>	<u>444,520</u>

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

	31/12/19	31/12/18 as restated
	<u>57</u>	<u>28</u>

One employee received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds as restated £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	970,699	1,076,963	2,047,662
Other income	<u>105,460</u>	-	<u>105,460</u>
Total	1,076,159	1,076,963	2,153,122
EXPENDITURE ON			
Charitable activities			
Direct training costs	-	565,524	565,524
Overheads	<u>746,995</u>	<u>481,165</u>	<u>1,228,160</u>
Total	746,995	1,046,689	1,793,684
NET INCOME			
	329,164	30,274	359,438
Transfers between funds	<u>123,865</u>	<u>(123,865)</u>	<u>-</u>
Net movement in funds	453,029	(93,591)	359,438
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>105,340</u>	<u>103,591</u>	<u>208,931</u>
TOTAL FUNDS CARRIED FORWARD	<u>558,369</u>	<u>10,000</u>	<u>568,369</u>

**Notes to the Financial Statements - continued
For The Year Ended 31st December 2019**

9. PRIOR YEAR ADJUSTMENT

During the course of the audit of the financial statements year ended 31st December 2019. It was identified there were additional costs of £62,492 which related to the prior year.

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st January 2019	71,200	33,712	104,912
Additions	<u>—</u>	<u>5,275</u>	<u>5,275</u>
At 31st December 2019	<u>71,200</u>	<u>38,987</u>	<u>110,187</u>
DEPRECIATION			
At 1st January 2019	25,970	16,264	42,234
Charge for year	<u>9,046</u>	<u>4,545</u>	<u>13,591</u>
At 31st December 2019	<u>35,016</u>	<u>20,809</u>	<u>55,825</u>
NET BOOK VALUE			
At 31st December 2019	<u>36,184</u>	<u>18,178</u>	<u>54,362</u>
At 31st December 2018	<u>45,230</u>	<u>17,448</u>	<u>62,678</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2019 and 31st December 2019	<u>5,000</u>
NET BOOK VALUE	
At 31st December 2019	<u>5,000</u>
At 31st December 2018	<u>5,000</u>

There were no investment assets outside the UK.

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

Training Innovators

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

Class of share:	%
Ordinary	100

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

Notes to the Financial Statements - continued
For The Year Ended 31st December 2019

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/19	31/12/18 as restated
	£	£
Amounts owed by group undertakings	4,800	4,800
Credit card	3,830	-
Fees receivable	411,551	360,173
Other debtors	122,100	10,800
Prepayments	<u>55,736</u>	-
	<u>598,017</u>	<u>375,773</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/19	31/12/18 as restated
	£	£
Trade creditors	8,524	33,554
Social security and other taxes	26,552	11,698
Accrued expenses	<u>185,540</u>	<u>73,773</u>
	<u>220,616</u>	<u>119,025</u>

14. MOVEMENT IN FUNDS

	At 1.1.19	Net movement in funds	Transfers between funds	At 31.12.19
	£	£	£	£
Unrestricted funds				
General fund	558,369	282,146	(368,613)	471,902
Restricted funds				
Specific fund	10,000	(358,552)	368,613	20,061
TOTAL FUNDS	<u>568,369</u>	<u>(76,406)</u>	<u>-</u>	<u>491,963</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	406,359	(124,213)	282,146
Restricted funds			
Specific fund	1,868,255	(2,226,807)	(358,552)
TOTAL FUNDS	<u>2,274,614</u>	<u>(2,351,020)</u>	<u>(76,406)</u>

**Notes to the Financial Statements - continued
For The Year Ended 31st December 2019**

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General fund	105,340	329,164	123,865	558,369
Restricted funds				
Specific fund	103,591	30,274	(123,865)	10,000
TOTAL FUNDS	<u>208,931</u>	<u>359,438</u>	<u>-</u>	<u>568,369</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,076,159	(746,995)	329,164
Restricted funds			
Specific fund	1,076,963	(1,046,689)	30,274
TOTAL FUNDS	<u>2,153,122</u>	<u>(1,793,684)</u>	<u>359,438</u>

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

	At 1.1.18 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	105,340	611,310	(244,748)	471,902
Restricted funds				
Specific fund	103,591	(328,278)	244,748	20,061
TOTAL FUNDS	<u>208,931</u>	<u>283,032</u>	<u>-</u>	<u>491,963</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	1,482,518	(871,208)	611,310
Restricted funds			
Specific fund	2,945,218	(3,273,496)	(328,278)
TOTAL FUNDS	<u>4,427,736</u>	<u>(4,144,704)</u>	<u>283,032</u>

**Notes to the Financial Statements - continued
For The Year Ended 31st December 2019**

15. RELATED PARTY DISCLOSURES

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

The charity incurred rental costs of £156,000 (2018:162,000) during the year.

16. POST BALANCE SHEET EVENTS

COVID-19 is not expected to have a significant impact on the entity. Management expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future performance, or the effects on some future asset valuations.

New London Educational Trust

**Detailed Statement of Financial Activities
For The Year Ended 31st December 2019**

	31/12/19	31/12/18 as restated
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Income	2,150,470	2,047,662
Other income		
Rental income	120,106	91,895
Interest	-	65
Other income	<u>4,038</u>	<u>13,500</u>
	<u>124,144</u>	<u>105,460</u>
Total incoming resources	2,274,614	2,153,122
EXPENDITURE		
Charitable activities		
Learning provider costs	1,291,721	1,046,689
Overheads		
Wages	612,670	412,528
Social security	54,897	27,962
Pensions	28,581	4,030
Rent and service charges	156,000	162,000
Business rates and water	35,120	16,642
Heat and light	26,855	27,448
General office expenses	58,771	16,121
Security costs	-	13,297
Travel and subsistence	13,493	8,660
Accountancy	5,400	12,448
Fixtures and fittings	9,046	11,308
Computer equipment	<u>4,545</u>	<u>3,020</u>
	<u>1,005,378</u>	<u>715,464</u>
Support costs		
Management		
Telephone and broadband	15,132	8,003
Printing, postage & stationery	14,472	6,322
General expenses	<u>9,434</u>	<u>4,506</u>
	<u>39,038</u>	<u>18,831</u>
Finance		
Bank charges	1,865	317
Governance costs		
Insurance	2,125	1,103
Audit fees	<u>10,893</u>	<u>11,280</u>
	<u>13,018</u>	<u>12,383</u>
Total resources expended	2,351,020	1,793,684
Net (expenditure)/income	(76,406)	359,438

This page does not form part of the statutory financial statements

