

LETCHWORTH EDUCATIONAL SETTLEMENT

TRUSTEES REPORT AND EXAMINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

Registered Charity in England and Wales: 311085



LETCHEWORTH EDUCATIONAL SETTLEMENT

CONTENTS	Page
General information	3
Trustees' report	4-12
Independent examiner's report	13
Statement of financial activities	14
Balance sheet	15
Notes to the financial statements	16-22

LETCWORTH EDUCATIONAL SETTLEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	Letchworth Educational Settlement Also known as the Settlement
Charity number	311085
Governing instrument	Amended Constitution adopted 22 November 2022
<u>Committee</u>	
Chair	Hilary Kemp
Vice Chair	Stephen Charles
Secretary	Marian Adams
Treasurer	Alan Higbey
Other Committee members	Katherine Alcock Marine Boulter (from 22 November 2022) Nigel Carrick Colin Connelly (co-opted 30 March 2023) Collette Hoefkens (co-opted 30 March 2023) Natalie Maguire Abigail Huffer (to 22 November 2022) Shauna Miller (to 22 November 2022, co-opted 8 December 2022 to 26 January 2023) Nick Skinner, Manager (ex-officio) (from 22 November 2022)
Principal address	229 Nevells Road Letchworth Garden City SG6 4UB
Independent Examiner	Roger McIntyre Brown, FCA Glebe House Garth Road Letchworth Garden City SG6 3NG

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023

Structure, governance and management

Letchworth Educational Settlement (“the Settlement”) was established in 1920 and moved to its current address in 1925. In 2020 the Settlement celebrated its Centenary.

The Constitution was amended at the Annual General Meeting (“AGM”) on 22 November 2022. Prior to that it was last amended at the 2017 AGM. The Constitution approved at the 2022 AGM (“the amended Constitution”) is based on the Charity Commission’s model constitutions so ensures good practice and governance. It provides greater protection to the Settlement, Members and Trustees, and clarifies powers, responsibilities and the actions to be taken in specific situations.

The Settlement is a registered charity in England and Wales.

Appointment of Trustees

Under the Constitution Trustees are elected by the Members at the AGM. To be eligible for election, a candidate must be a Member of the Settlement. The Committee (or “we”) is the title and designation of the body responsible for the governance and administration of the Settlement. The Trustees form the Committee.

Under the terms of the amended Constitution:

- Trustees now serve for a period of three years, with one third of them retiring at every AGM. Those trustees retiring by rotation are eligible to stand for re-election. This provides greater continuity for the Settlement as it reduces the likelihood of a complete change in the membership of the Committee every year. It helps to maintain the Settlement’s strategic direction and reduces the administrative burden with less “re-inventing the wheel”.
- The Officers are now appointed by the Trustees from among their number. They must have the necessary knowledge, skills and experience to carry out the duties of their office.
- The Settlement Manager is now a Trustee by virtue of their office, unless they choose otherwise, with full voting rights on the Committee.

Members

Any person is deemed to be eligible for the membership of the Settlement by the Committee providing they support the Settlement’s aims and objects, abide by the Settlement’s rules as set out in the Constitution and pay the annual subscription applicable to ordinary Members or other class of membership as the Committee at its discretion, may create, including honorary fellowships, who will not be liable to any subscription.

Committee

The amended Constitution provides for a minimum of three and a maximum of twelve Trustees, including the Officers. There is no maximum period for which a Trustee can serve, or upper age limit.

The Committee can co-opt any Member onto the Committee to serve until the next Annual General Meeting, although not in the capacity of a Trustee until formally elected at the next AGM.

The Committee meets at least four times a year.

The Trustees receive no remuneration or other benefit as Trustees. The declaration of interests is a standing agenda item for all Committee meetings. If a Trustee receives

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

payment from the Settlement for professional or other services, the amount is detailed in note 13 to the financial statements.

The Trustees who were serving on the date this report was approved by the Committee are listed on page 3, together with those who had served during the year ended 31 July 2023.

During the year two Trustees, Abigail Huffer and Shauna Miller, stood down for personal reasons. We would like to thank them for their contribution to our work.

To help the Committee to be as effective as possible, we have a number of Sub Committees covering specific areas of our work. Each Sub Committee has its own terms of reference and a report from each one is a standing agenda item for Committee meetings. These Sub Committees carry out detailed work in their areas of responsibility and then report and make recommendations to the Committee. The Sub Committees can invite non Trustees to join them if appropriate, for example, to provide additional or specific support and expertise.

Management

We delegate the day to day running of the Settlement to the Manager and his staff, who work with us to ensure the Settlement's objectives are achieved.

Nick Skinner, the Manager, has now been with us for 18 months. During this time he has got to grips with the many responsibilities his position involves. Much has been achieved so far, not least establishing the Easter and Summer Schools and introducing new courses. Although Nick would be the first to acknowledge that there is still more to do, considerable progress has been made since the dark days when the Settlement closed because of the Covid-19 pandemic.

Nick is ably supported by Julie Butcher and Carly Simmons. They, amongst other duties, keep the Settlement office running smoothly.

We are very grateful to Nick, Julie and Carly for their commitment and enthusiasm as we are conscious that at times working at the Settlement can be quite a challenge, particularly around enrolment time. With such a small staff team, their willingness to go the extra mile ensures the smooth running of the Settlement.

We are also very grateful for the support of all users of the Settlement – our learners and hirers, our tutors (including the new ones we have welcomed during the year), and the small but hardworking group of volunteers who support the Settlement in many different ways on a regular basis. Without all these different people, the Settlement would not continue to exist and grow.

Objectives and activities

In setting the Settlement's objectives and planning its activities we give careful consideration to the Charity Commission's public benefit guidance.

The Settlement's objectives are to provide a centre for education, recreation and social activities open to all Members, other users and visitors attending events. We aim to provide a friendly, accessible and supportive atmosphere.

The Settlement achieves its objectives by:

- Providing courses to meet some of the educational requirements and interests of adults living in Letchworth Garden City and the surrounding area.

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

- Providing facilities and teaching for the creative arts and other special interest and language courses.
- Arranging a diverse programme of workshops, lectures, talks and other events.
- Liaising locally and more widely with other parties involved in education and the creative and performing arts. Matters of common concern include provision of local facilities, meeting local needs and heritage issues.
- Providing a meeting place for local organisations.

Achievements

The number of courses planned for the year ended 31 July 2023 was 237 (2022:277) but 24 (2022:54), representing 10% (2022: 19%), were cancelled due to low take up. The 213 (2022: 223) courses delivered were broken down between:

	In person	Online	Total
Arts and crafts	90	8	98
Special interest	34	2	36
Creative writing	24	6	30
Languages	49	-	49
Total	<u>197</u>	<u>16</u>	<u>213</u>

The total number of courses delivered decreased by 4% due to the reduction of 93% in the number of online courses (2022: 25) as learners returned to in person classes following the pandemic. However, we will continue to deliver selected online courses if there is the demand.

Enrolments on the courses were 1,872 (2022: 1,831), representing a 2% increase over the previous year. Enrolments were broken down between:

	2023	2022
Arts and crafts	886	677
Special interest	360	648
Creative writing	225	241
Languages	401	265
Total	<u>1,872</u>	<u>1,831</u>

Although there was a small reduction in the number of courses delivered, enrolments increased so more of them were running at greater or full capacity. There was also a reduction in the number of course cancellations due to low take up. Both of these trends are in line with our objective to make sure what we offer is attractive to learners and will at the very least break even in terms of costs.

In addition to courses, there were 60 (2022:47) workshops and lectures, broken down as follows:

	2023	2022
Arts and crafts	40	27
Special interest	13	14
Creative writing	5	2
Languages	2	4
Total	<u>60</u>	<u>47</u>

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

The total number of workshops and lectures delivered increased by 28% and were all in person (2022: 4 online). Two thirds of the workshops and lectures related to arts and crafts.

Enrolments on the workshops and lectures were 618 (2022: 394), representing a 49% increase over the previous year. Enrolments were broken down between:

	2023	2022
Arts and crafts	303	226
Special interest	230	101
Creative writing	85	11
Languages	0	56
Total	<u>618</u>	<u>394</u>

The large increase in workshops and lectures is partly due to the successful introduction of the Easter and Summer Schools.

Guided learning hours (active teaching hours) for courses and workshops amounted to 3,821 hours (2022: 3,196), representing an 20% increase over the previous year. The hours were broken down between:

	2023	2022
Arts and crafts	2,149	1,769.0
Special interest	452	452.5
Creative writing	359	332.0
Languages	861	642.5
Total	<u>3,821</u>	<u>3,196.0</u>

We feel that guided learning hours are the best indicator of the success of the Settlement's offer as it is a consistent measure for all of the courses and workshops, regardless of their length.

We now review the data on the Settlement's offer on a termly basis. We are building up a set of a consistent and timely data which helps us to measure the success of what we offer and make decisions about the future.

During the year we entered into a partnership with Herts Visual Arts (HVA). This collaboration brings together HVA's 300+ Hertfordshire artists and craftspeople with the Settlement's place as a venue for arts and crafts and its teaching facilities. The partnership has already introduced a number of new tutors to our offer. We were also a venue HVA's Open Studios in September. Additionally we benefit from joint marketing opportunities.

To enrol on a course, a learner must be a Member. However, membership is not required to enrol on workshops and lectures, including those which are offered as part of the Easter and Summer Schools, as these are one off activities. We hope that these activities will serve as taster sessions and some participants will then enrol on a course.

Membership numbers at 31 July 2023 were 772 (2022: 736), representing a 5% increase over the previous year. 71% (2022: 75%) of Members are concessions (60 years and over). 71% (2022: 71%) of Members live in the Settlement's local community, the Letchworth/Baldock/Hitchin postcode area. Although the majority of Members have joined the Settlement to enrol on a course, there are also those who continue to be Members because they want to support a local and valued community organisation.

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

The Settlement's "Little Theatre" is home to the Settlement Players. The Players were founded in 1923, three years after the Settlement itself, and will celebrate their centenary in December. The relationship between the Settlement and the Players has been further strengthened during the year, including sharing advertising which has been of mutual benefit. Since the year end, the Players won the Best New Play Award at the Cambridge Drama Festival 2023 for "Fake or Fortune", written and directed by one of the Players. The play was "a comedy about the almost true tale of how the Settlement was saved!". We would like to congratulate the Players on this achievement, as well as the other nominations they received at the Festival.

During the year the Settlement's facilities also continued to be used by a large number of other hirers ranging from the Camera Club, the Dance Steps Academy and local organisations and clubs, including art, music, chess, table tennis and wine tasting.

Fundraising from other activities remains an important source of additional income for the Settlement, as well as providing the opportunity for social events and to engage with people who may not normally come to the Settlement. "The Beertles" concert in particular proved to be so popular that we had to add a second night! And the quiz evenings are always well received. It was also lovely to be able to welcome local crafts people to the Christmas Fayre again. We are very grateful to the volunteers who organise all of these events and those who support them.

Financial review

The Settlement had a small net surplus of £469 for the year ended 31 July 2023 (2022: net expenditure £40,089). We feel this is a very creditable result, although we do not underestimate the difficulty in maintaining a break even, or better, position in the future.

Income from charitable activities, comprising fees from courses, membership fees and hirings was £267,438 (2022: £189,214), a 41% increase on the previous year. This increase reflects both the higher rates for our course and hiring fees noted in the report for the year ended 31 July 2022, and the increase in our offer as noted in Achievements.

Donations were £26,308 (2022: £22,513) of which £10,000 was a legacy and £7,000 (2022: £15,734) was a grant for marketing from the Letchworth Garden City Heritage Foundation ("the Heritage Foundation"). Grants and any restrictions on them are detailed in note 3 to the financial statements. The marketing grant was fully expended during the year on raising awareness of the Settlement and its activities in local community publications, and for promoting the new Easter and Summer Schools. We are grateful to the Heritage Foundation for its support.

Total expenditure was £315,814 (2022: £263,629), a 20% increase on the previous year. Some of the Settlement's expenditure is incurred directly as a result of the activities that it offers but the costs like those for staffing and premises are ongoing.

The main contributors to the increase in expenditure were tutor fees (an increase of £30,330) staff costs (an increase of £9,277) and general office costs (an increase of £8,977)

The increase of 33% in tutor fees was due to both an increase in the number of guided learning hours delivered, as noted in Achievements, and a small increase in some fee rates. The increase of 13% in staff costs reflects our investment in resourcing to keep the Settlement open by delivering an improved offer and extended opening times. It is also worth noting that staff costs (excluding redundancy costs) were 4% lower than those for the

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

year ended 31 July 2020, when the pandemic resulted in the temporary closure of the Settlement.

The increase of 38% in general office costs reflects the move to a more efficient and effective working environment, mainly with improvements in the IT infrastructure and support. This investment will continue in the current year. It also includes an increase of 82% in card processing fees. Payment by card is a much more efficient and cost effective means of payment for us as processing cheques and cash is time consuming. To keep card payment costs to a minimum we changed provider towards the end of the year.

Premises costs were again lower than in the previous year (a decrease of £1,449). The 3% decrease was due to lower cleaning costs and a fixed price contract for energy costs.

As noted in the annual report for the year ended 31 July 2022, the shortfall between the income from charitable activities and the cost of raising it, was an issue that we needed to address as a matter of urgency. The aim was at the very least to break even as soon as practicable. We are pleased that we have managed to achieve a break even position in the year. However, to maintain this position and to continue investing in efficiency improvements, we have again taken the decision to increase course and hiring fees from September 2023. We now feel that we are reaching a position where these fees are set at levels which cover the full cost of delivering the Settlement's activities. We appreciate that these increases impact on our learners and users who are also under financial pressure from the cost of living crisis, but it is pleasing to note that the take up for the Autumn term has remained at a satisfactory level.

We continue to try to keep the running costs of the Settlement as low as possible. However, we believe our investment in staffing and other resources such as IT infrastructure is an important part of enabling the Settlement to achieve financial security for the future.

Risk management

The biggest risk to the Settlement continues to be a financial one. Some of the risk is determined by external forces such as the cost of living crisis, which also impacts the Settlement's users. The Settlement's activities are also constrained by the buildings it occupies, although its historical importance and place in the local community is also an asset.

The Settlement is not an endowed charity and is reliant on the annual income it generates. We will therefore continue to look for ways to attract learners and users by enhancing and increasing what we offer and to make the greatest use of our facilities as possible.

Reserves policy

We consider it prudent that unrestricted reserves should be sufficient to cover:

- a) three months' operating expenses based on our phased annual budget. This allows for some timing differences in forecast income and expenditure and for any action to be taken if income levels fall below those budgeted by either reducing expenditure levels and/or finding other sources of funding.
- b) other short term commitments agreed by us as required.
- c) the cost of closing the Settlement which could be achieved within three months if required.

Restricted funds are not included in the reserves policy.

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

In the year ended 31 July 2021 we agreed to set up a fund to meet the cost of future property repairs/maintenance to comply with the terms of the Settlement's lease with the Heritage Foundation. The annual amount to be allocated to the fund will be £5,000 for 7 years, as under the terms of the lease there is a requirement to redecorate (interior and exterior) at least every 7 years. The amount held in this designated fund as at 31 July 2023 was £15,000 (2022: £10,000).

A second designated fund, with a one-off allocation of £10,000, was set up during the year to cover the excess on the Settlement's buildings insurance following a change in arrangements agreed with the Heritage Foundation, the freeholder of the Settlement's premises.

During the year we agreed there was currently no requirement to designate any other funds.

At 31 July 2023, the level of free reserves was £120,307 (2022: £99,034). As at this date the amount required in accordance with the reserves policy was £59,500.

Plans for the future

Our most immediate plans for the future continue to be on the development of the Settlement's existing provision and looking at new initiatives, including offering new courses and formats, and increasing the use of the Settlement's facilities in the evenings and weekends. Part of this will be introducing new tutors and activities and building on last year's success of the Easter and Summer Schools.

We have also been reviewing the way we promote our offer and further work will be done on this in the coming year. For the first time we have produced a termly rather than annual brochure. This allows us to provide more up to date information as we introduce new and additional courses and workshops.

As noted in the Financial Review, we have already increased course and hiring fees with effect from 1 September 2023. In future we will continue to review these fees annually. There has been no change the membership fee.

The success of the Settlement depends in no small part on its staff. We will continue to keep resourcing and support under review.

During the year a lot of work was done on identifying a new database. Our current database is a bespoke one and it has not been able to keep up with technological, reporting and other changes and its useful life is now limited. Important factors in deciding on a new provider included compliance with regulatory requirements, future proofing and support. We have chosen a new provider and an implementation plan is in place. We do not underestimate the work involved in making the implementation successful. We hope that it will be up and running at the beginning of 2024. Part of the implementation plan includes providing information to Settlement users.

Once the new database is implemented, we will start to plan the updating of the Settlement's website to make it more attractive and easier to use and maintain.

Our Fundraising Sub Committee is also planning an increased number of social events for the coming year, including a couple of new ones. The income from these will provide us with much needed additional funds. We hope as many people as possible will attend these events to support the Settlement. The Sub Committee would welcome any new members and ideas.

LETCHEWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

As also noted in the annual report for the year ended 31 July 2022, one of the issues we have is that the Settlement's current accommodation means that we cannot increase class sizes even if there is demand – our only option is to put on another class at a different time. Therefore, one of our longer term objectives continues to be an extension to our arts and crafts accommodation. More background work has been done on this during the year and will continue in the current one. Part of the work to date has included the preparation of a detailed business plan.

We feel that what has been achieved in the year provides a sound platform for the future, but there is no room for complacency. The challenges facing the Settlement previously noted remain the same but we now have far greater confidence that, with the help of all users, supporters and the local community, we will be able to meet them.

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

Statement of Trustees' responsibilities

Charity law requires the Trustees to prepare financial statements for each financial year that show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have complied with the duty in Section 4 of the 2006 Charities Act having due regard to guidance published by the Charity Commission.

Approved by the Trustees on 2 November 2023

and signed on their behalf by:



Hilary Kemp
Chair

LETCWORTH EDUCATIONAL SETTLEMENT

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LETCWORTH EDUCATIONAL SETTLEMENT

I report to the Trustees on my examination of the financial statements of Letchworth Educational Settlement for the year ended 31 July 2023.

Responsibilities and basis of report

As the charity's Trustees, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow of the Institute of Chartered Accountants in England and Wales.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the financial statements do not accord with the accounting records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.; or
- the financial statements have not been prepared in accordance with the methods and principles of the with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Roger McIntyre Brown, FCA
Glebe House
Garth Road
Letchworth Garden City
SG6 3NG

Dated: 15 November 2023

LETCHWORTH EDUCATIONAL SETTLEMENT

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Income					
Donations and legacies	3	11,808	14,500	26,308	22,513
Income from charitable activities	4	267,438	-	267,438	189,214
Other income	5	20,054	-	20,054	11,645
Investment income	6	2,483	-	2,483	168
Total income		301,783	14,500	316,283	223,540
Expenditure					
Expenditure on charitable activities	7	304,675	11,139	315,814	263,629
Total expenditure		304,675	11,139	315,814	263,629
Net income/(expenditure) for the year		(2,892)	3,361	469	(40,089)
Transfers between funds		-	-	-	-
Loss on disposal of fixed assets		-	-	-	(1,442)
Fund balances at 1 August 2022		219,553	56,500	276,053	317,584
Fund balances at 31 July 2023	12	216,661	59,861	276,522	276,053


LETCWORTH EDUCATIONAL SETTLEMENT

BALANCE SHEET AS AT 31 JULY 2023

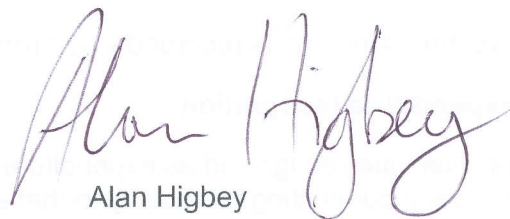
	Notes	2023 £	2022 £
Fixed Assets			
Tangible Assets	9	<u>96,354</u>	<u>113,535</u>
Current Assets			
Debtors	10	19,489	1,586
Cash at Bank and in hand		<u>176,177</u>	<u>163,497</u>
		195,666	165,083
Creditors: amounts falling due within one year	11	(15,498)	(2,565)
Net Current Assets		<u>180,168</u>	<u>162,518</u>
Total Net Assets		<u>276,522</u>	<u>276,053</u>
Represented by:			
Unrestricted funds	12	191,661	209,553
Designated	12	25,000	10,000
Restricted funds	12	<u>59,861</u>	<u>56,500</u>
		<u>276,522</u>	<u>276,053</u>

The notes at pages 16 to 22 form part of the financial statements.

The financial statements were approved by the Trustees on 2 November 2023 and signed on their behalf by



Hilary Kemp
Chair



Alan Higbey
Treasurer

1. Accounting policies

a. Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Settlement constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Settlement's ability to continue as a going concern.

b. Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	straight line over 10 years
Office equipment	straight line over 3 years
Property improvements	straight line over 3 years
Building improvements	straight line over 20, 27, 29 and 30 years

c. Income recognition

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

Investment income is recorded when receivable.

d. Expenditure recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

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

LETCHWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (continued)

e. Funds structure

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds are unrestricted funds which have been set aside by the trustees for an essential spend or future purpose. The designation has an administrative purpose only, and does not legally restrict the trustees' discretion to apply the fund.

Restricted funds relate to amounts received in respect of expenditure used in fulfilling the charitable objects.

f. Pensions

Qualifying employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 6. There were no outstanding contributions at the year end. The costs of the scheme are included in costs and charged to the unrestricted funds of the charity.

2. Taxation

Letchworth Educational Settlement is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for its charitable purposes.

3. Donations and legacies

	Unrestricted	Restricted	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Donations and legacies	11,808	7,500	19,308	10,362
Grants	-	7,000	7,000	12,151
	<u>11,808</u>	<u>14,500</u>	<u>26,308</u>	<u>22,513</u>

Donations include related Gift Aid.

Donations for 2023 also include a legacy of £10,000 (note 10 Debtors refers).

Grants were made by the following:

Grant maker	Unrestricted	Restricted	Total	Purpose
	£	£	£	
Letchworth Garden City	-	7,000	7,000	Marketing
Heritage Foundation	-			

LETCWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (continued)

4. Income from charitable activities

	Total 2023	Total 2022
	£	£
Fees for courses	215,693	140,686
Membership fees	10,777	10,890
Hirings	40,968	37,638
	<u>267,438</u>	<u>189,214</u>

Membership fees include related Gift Aid.

5. Other income

	Total 2023	Total 2022
	£	£
Other income	20,054	11,645
	<u>20,054</u>	<u>11,645</u>

Other income includes the sale of refreshments, the Christmas Fayre, the Prize Draw and other fundraising activities.

6. Investment income

	Total 2023	Total 2022
	£	£
Bank interest	2,483	131
Other interest	-	37
	<u>2,483</u>	<u>168</u>

LETCHWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (continued)

7. Analysis of expenditure

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Provision of course and other activities				
Tutor fees	122,606	-	122,606	92,276
Other course costs	900	-	900	-
Costs of raising other income	7,904	-	7,904	3,095
Premises costs	54,317	1,334	55,651	57,100
Depreciation	14,376	2,805	17,181	17,681
Support costs	103,955	7,000	110,955	92,701
Governance costs	617	-	617	776
	<u>304,675</u>	<u>11,139</u>	<u>315,814</u>	<u>263,629</u>
Support costs				
Staff costs	78,506	-	78,506	69,229
General office costs	25,449	7,000	32,449	23,472
	<u>103,955</u>	<u>7,000</u>	<u>110,955</u>	<u>92,701</u>
Governance costs				
Accountant's fees	-	-	-	-
Independent examiner's fee	-	-	-	-
Trustees liability insurance	429	-	429	417
Other	188	-	188	359
	<u>617</u>	<u>-</u>	<u>617</u>	<u>776</u>

All of the expenditure was incurred on charitable activities. No costs were attributable to investment management.

For the years ended 31 July 2023 and 2022 the independent examination has been carried out free of charge.

LETCWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (continued)

8. Staff costs

	Total 2023 £	Total 2022 £
Remuneration paid to employees	75,366	67,307
Social security costs	1,251	692
Pension costs	1,889	1,230
	<u>78,506</u>	<u>69,229</u>

The average number of employees, calculated on a full time equivalent basis, was 2.5 2.3

There were no employee benefits.

There were no employees whose employee remuneration amounted to over £60,000.

In the years ended 31 July 2023 and 2022 Employer National Insurance contributions, disclosed in social security costs, were offset in part by the Employment Allowance.

9. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Building improve- ments £	Property improve- ments £	Total £
Cost					
At 1 August 2022	59,188	34,132	167,329	45,890	306,539
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 July 2023	<u>59,188</u>	<u>34,132</u>	<u>167,329</u>	<u>45,890</u>	<u>306,539</u>
Depreciation					
At 1 August 2022	39,631	26,442	81,041	45,890	193,004
Disposals	-	-	-	-	0
Charge for the year	5,662	5,361	6,158	-	17,181
At 31 July 2023	<u>45,293</u>	<u>31,803</u>	<u>87,199</u>	<u>45,890</u>	<u>210,185</u>
Net book value					
At 31 July 2023	<u>13,895</u>	<u>2,329</u>	<u>80,130</u>	-	<u>96,354</u>
At July 31 2022	<u>19,557</u>	<u>7,690</u>	<u>86,288</u>	-	<u>113,535</u>

LETCWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (continued)

10. Debtors

	Total 2023 £	Total 2022 £
Income tax recoverable (Gift Aid)	2,673	779
Accrued income	10,000	-
Other debtors	6,816	807
	<u>19,489</u>	<u>1,586</u>

Accrued income is a legacy where the amount and entitlement were confirmed before the year end. It was received in August 2023.

11. Creditors: amounts falling due within one year

	Total 2023 £	Total 2022 £
Accruals and deferred income	<u>15,498</u>	<u>2,565</u>

12. Fund balances

Unrestricted funds are funds that are freely available to spend on any of the charity's purposes.

Designated funds are funds that the Trustees have set aside to meet future property repair and maintenance costs.

Restricted funds are funds subject to specific purpose(s) stipulated by the donor or grant maker. There are two restricted funds as at 31 July 2023:

Property improvements	To fund property improvements and is fully represented within tangible fixed assets
Bursary from an individual donor	To fund various specified expenditure for capital items (which, where applicable, are included in tangible fixed assets) and to support other costs

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2023 £
Unrestricted funds					
Unrestricted funds	209,553	301,783	304,675	(15,000)	191,661
Designated funds	10,000	-	-	15,000	25,000
	<u>219,553</u>	<u>301,783</u>	<u>304,675</u>	<u>-</u>	<u>216,661</u>
Restricted funds					
Property improvements	42,200	-	2,805	-	39,395
Bursary	14,300	7,500	1,334	-	20,466
Marketing	-	7,000	7,000	-	-
	<u>56,500</u>	<u>14,500</u>	<u>11,139</u>	<u>-</u>	<u>59,861</u>
Total funds	<u>276,053</u>	<u>316,283</u>	<u>315,814</u>	<u>-</u>	<u>276,522</u>

LETCHEWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (continued)

The transfer from unrestricted funds to designated funds represents the agreed annual allocation (£5,000) to meet future property repair and maintenance costs and a new one-off allocation (£10,000) to cover the excess on the Settlement's buildings insurance following a change in arrangements.

13. Trustee remuneration and expenses

The Trustees received no remuneration or other benefits (2022: £nil). Three Trustees (two current and one former) received payments totalling £13,341 (2022: Two Trustees totalling £2,153) for professional or other services as tutors for Settlement courses. No Trustees received any expenses for travel and related costs (2022: £nil).

14. Related party transactions

There were no related party transactions.

Balance at 31 July 2022	Transfer	Expenditure	Income	Balance at 31 August 2022	
£	£	£	£	£	
218,823	12,000	304,672	301,787	217,938	Unrestricted funds
18,000	-	-	-	18,000	Designated funds
236,823	-	304,672	301,787	235,938	
38,305	-	1,805	-	40,110	Property improvement
20,448	-	1,311	7,921	29,068	Banqueting
17,857	-	7,001	1,000	21,856	Marketing
218,823	-	313,689	310,708	215,942	Total funds