

LETCWORTH EDUCATIONAL SETTLEMENT

TRUSTEES REPORT AND EXAMINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

Registered Charity in England and Wales: 311085



LETCHWORTH EDUCATIONAL SETTLEMENT

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LETCHWORTH 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 Nigel Carrick Colin Connelly Collette Hoefkens Natalie Maguire (to 7 November 2024) Nick Skinner, Manager (ex-officio)
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

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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 Constitution:

- Trustees 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 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 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 its Membership policy (available on the Settlement’s website) 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 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 AGM, 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

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2024 (continued)

payment from the Settlement for professional or other services, the amount is detailed in note 14 to the financial statements.

The Trustees who were serving on the date this report was approved by the Committee are listed on page 3.

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, Nick Skinner and his staff, Assistant Managers Julie Butcher and Carly Simmons. They work with us to ensure the Settlement's objectives are achieved.

The Settlement's activities have continued to grow during the year. The Easter and Summer Schools are now established more new courses have been introduced. Towards the end of the year we also implemented a new website and database to support our activities and to reduce the administrative burden on the Settlement office.

We are once again very grateful to Nick, Julie and Carly for their commitment and enthusiasm to ensuring the smooth running and development of the Settlement. With such a small staff team, their willingness to go the extra mile is much appreciated.

We are also very grateful for the support of all users of the Settlement – our learners, hirers, our tutors, including the new ones we have welcomed during the year and those who have left us. Additionally, we would like to acknowledge the work of 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 equally importantly, look forward to the future.

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.
- Providing facilities and teaching for the creative arts and other humanities 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.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2024 (continued)

Achievements

The number of courses planned for the year ended 31 July 2024 was 277 (2023: 237) but 39 (2023:24), representing 14% (2023: 10%), were cancelled due to low take up. The 238 (2023: 213) courses delivered were broken down between:

	In person	Online	Total
Arts and crafts	95	9	104
Languages	60	0	60
Humanities	73	1	74
Total	<u>228</u>	<u>10</u>	<u>238</u>

Please note that during the year special interest and creative writing courses were combined and reclassified as Humanities. The comparatives for the previous year have been restated accordingly.

The cancellation rate is higher than we would like but it is not financially viable for us to run classes without a minimum number of learners. We do however run a few language courses as small classes where the learners are happy to pay an increased fee. We have also introduced shorter courses to reduce the financial outlay for learners.

The total number of courses delivered increased by 12% including 10 online ones, 9 of which were related to arts and crafts (2023: 16 of which 50% were related to arts and crafts). We will to continue to deliver some selected online courses if there is the demand.

Enrolments on the courses were 2,104 (2023: 1,872), representing a 12% increase over the previous year. Enrolments were broken down between:

	2024	2023
Arts and crafts	867	886
Languages	482	401
Humanities	755	585
Total	<u>2,104</u>	<u>1,872</u>

Increased enrolments have resulted in more courses running at greater or full capacity so at the very least they break even in terms of costs.

In addition to courses, there were 59 (2023: 60) workshops and other events, broken down as follows:

	2024	2023
Arts and crafts	39	40
Languages	1	2
Humanities	19	18
Total	<u>59</u>	<u>60</u>

The total number of workshops and lectures was marginally lower than in the previous year. They were all in person. Two thirds of them were related to arts and crafts.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2024 (continued)

Enrolments on workshops and lectures were 587 (2023: 618), representing a 5% decrease over the previous year. Enrolments were broken down between:

	2024	2023
Arts and crafts	338	303
Languages	-	-
Humanities	249	315
Total	<u>587</u>	<u>618</u>

The small decrease reflects reduced take up for the Easter and Summer Schools and we will be reviewing what is on offer to try to increase take up again next year.

Guided learning hours (active teaching hours) for courses and workshops amounted to 4,158 hours (2023: 3,821), representing an 9% increase over the previous year. The hours were broken down between:

	2024	2023
Arts and crafts	2,277	2,149
Languages	964	861
Humanities	917	811
Total	<u>4,158</u>	<u>3,821</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 review the data on the Settlement's activities on a termly basis. We now have a set of a consistent data which will be maintained going forward. This data helps us to measure the success of what we offer and make decisions about our future activities.

During the year we continued the 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, and provides joint marketing opportunities. For the second successive year we were also a venue HVA's Open Studios in September.

To enrol on a course, a learner must be a Member. The Settlement was set up as a membership organisation in 1920 and this requirement is enshrined in its Constitution. 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, as well as providing opportunities for learners who work or have other family responsibilities.

Membership numbers at 31 July 2024 were 774 (2023: 772), the same as in the previous year. 72% (2023: 71%) of Members are concessions (60 years and over). 71% (2023: 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.

The Settlement's "Little Theatre" is home to the Settlement Players. The Players were founded in 1923, three years after the Settlement itself, and they celebrated their centenary

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2024 (continued)

in December 2023. Our relationship with the Players continues to be of mutual benefit and the Kincaid Hall has again been the venue of three successful productions during the year – The Games Afoot or Holmes For The Holidays, Twelfth Night and Absent Friends.

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. Events during the year included the ever popular quiz and varied musical events ranging from Flanders and Swann (also known as Peter Chapman and Mike Rollins), the Apex Jazz Band and Cut the Mustard. Once again we also welcomed local crafts people to our Christmas Fayre. We are very grateful to the volunteers who organise all of these events and those who support them.

Financial review

The Settlement had a net surplus of £4,713 for the year ended 31 July 2024 (2023: £469) before an accounting adjustment of £18,660 relating to the write off of fixed assets. We are very pleased with this result which is due to both the increased number of courses and enrolments and tight control of overheads where possible. It has also been achieved following investment in a new database and website, some of the cost of which has been capitalised.

Income from charitable activities, comprising fees from courses, membership fees and hirings was £325,032 (2023: £267,438), a 22% increase on the previous year. This increase reflects both higher rates for our course and hiring fees with effect from 1 September 2023 and the increase in our offer as noted in Achievements.

Donations were £3,089 (2023: £26,308 of which £10,000 was a legacy and £7,000 was a grant), a decrease of 88% on the previous year. We hope to attract more grant funding in the future.

Total expenditure was £346,354 (2023: £315,814), a 10% (2023: 20%) increase on the previous year. It is pleasing to note that the year on year percentage increase has reduced. Some of the Settlement's expenditure is incurred directly as a result of the activities that it offers but costs like those for staffing, premises and IT provision are ongoing.

The main contributors to the increase in expenditure were:

- Tutor fees due to the increased number of courses;
- Premises costs including energy and repairs and maintenance; and
- Support costs including the running costs of the new database and further improvements in the IT infrastructure to improve efficiency and security.

New boiler

During the year we replaced the boiler which was coming to the end of its useful life. We took the opportunity of reviewing the heating system as a whole to see if improvements could be made to its efficiency and to deal with known issues, such as the difficulty in heating the Garden Room. The cost of the new boiler has been capitalised and will be depreciated over 15 years, as disclosed in the notes to the financial statements.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2024 (continued)

New Settlement database and website

Another major investment during the year was in our new database and website. We had identified the need to replace both of them some considerable time ago as they were becoming obsolete and it was only a matter of time before they failed completely. Initial work on their replacement was noted in last year's annual report.

Our requirements for the new systems included robust and secure data management, managing the Settlement's activities and improved management and financial reporting.

We also needed to reduce the administrative burden on the Settlement office and put in place proper support arrangements to deal with any operational issues and ensure systems were updated to meet technological and regulatory changes. As a small charity with limited staff and other resources, these were essential to help secure the Settlement's future as it would ensure our existing resources could be used to maximum potential.

We knew that both the database and website needed to be implemented simultaneously so we did not waste resources linking the new database to an already failing website. We also knew that as far as the Settlement's activities were concerned there was no good time to do this work.

We therefore made the decision that we needed to have the new systems in place to go live before the end of the Summer term so that it did not impact adversely on enrolments for the Autumn term. This was a challenging deadline but one we met. We were fortunate that two of the trustees with relevant professional experience, Stephen Charles and Marian Adams, were happy to devote their time (which has been considerable and at no cost to the Settlement) to helping us manage the implementation, together with invaluable support from our database provider and website designer. We would like to record our thanks to all involved.

The new systems went live on 15 July. We ensured there was as much support as possible available during the first few weeks after the go live date. Although there were a few problems, overall we were very pleased with how well the implementation went. We would like to record our thanks to all of our users for bearing with us, embracing the changes and using the website. It has helped enormously to reduce the burden on the Settlement office and allowed staff to focus on taking the Settlement forward.

We are also grateful for the feedback from users. This has already resulted in helping us to improve the search functionality on the website and the experience for mobile phone users.

The implementation costs of the new database and website have been capitalised and will be depreciated over 3 years, as disclosed in the notes to the financial statements. The ongoing running and support costs will form part of our support costs.

Fees

As noted in past annual reports, 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. We are pleased that we have achieved a slightly higher surplus this year but it is still only a small one. We need to maintain the momentum of doing better than breaking even in the face of the continuing increase in overhead costs. We have little control over some of these increases, for example, energy costs. The Settlement building, although much loved, is old and not energy efficient. It is expensive to both heat and maintain it to what we consider an acceptable standard. We have therefore again taken the decision to increase our course and hiring fees with effect from 1 September 2024, although we hope to be able to hold them at the new rate for the following year. Fees will remain at the existing rates for both standard

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and concessionary membership fees. We are aware of the financial impact that these increases have on our learners and users but we feel that our courses and facilities still offer value for money.

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 increases in energy costs, which also impact 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.

In the year ended 31 July 2021 we 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 2024 was £20,000 (2023: £15,000).

In the year ended 31 July 2023 we set up a second designated fund, with a one-off allocation of £10,000, 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 2024, the level of free reserves was £106,437 (2023: £120,307). As at this date the amount required in accordance with the reserves policy was £65,500.

Plans for the future

During the year we finalised our business plan which outlines our vision for the future. By the year 2029 our aim is that the Settlement will:

- Be a thriving and diverse community, providing a wide range of non-vocational educational courses and workshops;
- Have an exciting Arts and Crafts centre for Letchworth Garden City and the wider local area; and

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- Be the first-choice meeting place for local community groups.

We have set ourselves a challenging agenda to achieve our vision:

- Expanding and enhancing the existing offer to deliver a wider range of courses and workshops, additional tutors and teaching hours, and increasing enrolments.
- Continuing to develop partnerships with other organisations for mutual benefit.
- Improved and targeted marketing to reach both our existing audience and a wider diverse demographic.
- Continuing to review and improve the efficiency and effectiveness of our governance and administration.
- Successful completion of the proposed extension to the arts and crafts accommodation.

We are currently in the process of drawing up a detailed action plan to meet this agenda. We do not underestimate the challenges ahead but we feel that we now have a more solid foundation on which to take the Settlement forward.

During the year we finalised plans to refurbish the Kincaid Hall and improve the technology available there and in our other meeting rooms. We have committed the funds held in reserves arising from the Save Our Settlement Appeal in 2020 to meet these costs. We felt that this was an appropriate use of these funds as it would help to improve our facilities for the future. The commitment is disclosed in note 12 to the financial statements. The bulk of this work has now taken place and its cost, most of which will be capitalised, will be reflected in the financial statements for the year ending 31 July 2025.

As noted in the Financial Review, we have increased course and hiring fees with effect from 1 September 2024. Assuming there are no unforeseen circumstances, we will hold the fees at this level for two years before reviewing them again.

The success of the Settlement depends in no small part on its staff. Improvements in our IT provision, including the new database and website, will allow our staff more time to focus on areas such as marketing and premises management. During the year we will continue to review our processes and we also plan to undertake a review of our how we plan and promote our programme of courses, both to make it more efficient and to get best value for money.

Our Fundraising Sub Committee has already planned an increased number of social events for the coming year, two of which have already taken place. The income from these will continue to provide us with much needed additional funds which we can re-invest in the Settlement. We hope as many people as possible will attend these events to support us – and to enjoy the newly refurbished Kincaid Hall.

We feel that we have achieved a great deal during the year, a lot of which has been in our plans for some considerable time. We look forward to achieving even more in the coming years.

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2024 (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 7 November 2024

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 2024.

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: 11 November 2024

LETCHWORTH EDUCATIONAL SETTLEMENT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2024

	Notes	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Income					
Donations and legacies	3	3,089	-	3,089	26,308
Income from charitable activities	4	325,032	-	325,032	267,438
Other income	5	18,046	-	18,046	20,054
Investment income	6	4,900	-	4,900	2,483
Total income		351,067	-	351,067	316,283
Expenditure					
Expenditure on charitable activities	7	342,965	3,389	346,354	315,814
Total expenditure		342,965	3,389	346,354	315,814
Net income/(expenditure) for the year		8,102	(3,389)	4,713	469
Transfers between funds		-	-	-	-
Loss on disposal of fixed assets		(18,660)	-	(18,660)	-
Fund balances at 1 August 2022		216,661	59,861	276,522	276,053
Fund balances at 31 July 2023	12	206,103	56,472	262,575	276,522

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BALANCE SHEET AS AT 31 JULY 2024


	Notes	2024 £	2023 £
Fixed Assets			
Tangible Assets	9	<u>99,666</u>	<u>96,354</u>
Current Assets			
Debtors	10	7,488	19,489
Cash at Bank and in hand		<u>160,847</u>	<u>176,177</u>
		168,335	195,666
Creditors: amounts falling due within one year	11	(5,426)	(15,498)
Net Current Assets		<u>162,909</u>	<u>180,168</u>
Total Net Assets		<u>262,575</u>	<u>276,522</u>
Represented by:			
Unrestricted funds	12	176,103	191,661
Designated	12	30,000	25,000
Restricted funds	12	<u>56,472</u>	<u>59,861</u>
		<u>262,575</u>	<u>276,522</u>

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

The financial statements were approved by the Trustees on 7 November 2024 and signed on their behalf by



Hilary Kemp
Chair



Alan Higbey
Treasurer

LETCHWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

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.

The Trustees reviewed the depreciation rates during the year and confirmed the existing depreciation rates. They also agreed that, in future, to reflect more realistic useful lives for specific items:

- Electrical appliances should be depreciated over 5 years rather than 10 years for other fixtures and fittings.
- The new boiler (included in building improvements) installed during the year should be depreciated over 15 years rather than 20 years for the one replaced.

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: non electrical appliances	straight line over 10 years
Fixtures and fittings: electrical appliances	straight line over 5 years
Office equipment, database and website	straight line over 3 years
Property improvements	straight line over 3 years
Building improvements	straight line over 15, 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.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024 (continued)

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.

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 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Donations and legacies	3,089	-	3,089	19,308
Grants	-	-	-	7,000
	<u>3,089</u>	<u>-</u>	<u>3,089</u>	<u>26,308</u>

Donations include related Gift Aid.

Donations for 2023 included a legacy of £10,000.

There were no grants received during the year (2023: £7,000).

LETCHWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024 (continued)

4. Income from charitable activities

	Total 2024	Total 2023
	£	£
Fees for courses	268,555	215,693
Membership fees	10,142	10,777
Hirings	46,335	40,968
	<u>325,032</u>	<u>267,438</u>

Membership fees include related Gift Aid.

5. Other income

	Total 2024	Total 2023
	£	£
Other income	18,046	20,054
	<u>18,046</u>	<u>20,054</u>

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

6. Investment income

	Total 2024	Total 2023
	£	£
Bank interest	4,810	2,482
Other interest	90	-
	<u>4,900</u>	<u>2,483</u>

LETCHWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024 (continued)

7. Analysis of expenditure

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Provision of course and other activities				
Tutor fees	128,285	-	128,285	122,606
Other course costs	5,308	-	5,308	900
Costs of raising other income	6,346	-	6,346	7,904
Premises costs	62,752	584	63,336	55,651
Depreciation	15,640	2,805	18,445	17,181
Support costs	123,984	-	123,984	110,955
Governance costs	650	-	650	617
	<u>342,965</u>	<u>3,389</u>	<u>346,354</u>	<u>315,814</u>
Support costs				
Staff costs	82,548	-	82,548	78,506
General office costs	41,436	-	41,436	32,449
	<u>123,984</u>	<u>-</u>	<u>123,984</u>	<u>110,955</u>
Governance costs				
Accountant's fees	-	-	-	-
Independent examiner's fee	-	-	-	-
Trustees liability insurance	449	-	449	429
Other	201	-	201	188
	<u>650</u>	<u>-</u>	<u>650</u>	<u>617</u>

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

For the years ended 31 July 2024 and 2023 the independent examination has been carried out free of charge.

LETCHWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024 (continued)

8. Staff costs

	Total 2024 £	Total 2023 £
Remuneration paid to employees	78,638	75,366
Social security costs	1,629	1,251
Pension costs	2,281	1,889
	<u>82,548</u>	<u>78,506</u>

The average number of employees, calculated on a full time equivalent basis, was 2.4 2.5

There were no employee benefits.

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

In the years ended 31 July 2024 and 2023 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, database and website £	Building improve- ments £	Property improve- ments £	Total £
Cost					
At 1 August 2023	59,188	34,132	167,329	45,890	306,539
Additions	6,579	11,950	21,888	-	40,417
Disposals	(7,668)	(15,621)	(31,500)	-	(54,789)
At 31 July 2024	<u>58,099</u>	<u>30,461</u>	<u>157,717</u>	<u>45,890</u>	<u>292,167</u>
Depreciation					
At 1 August 2023	45,293	31,803	87,199	45,890	210,185
Disposals	(4,175)	(15,621)	(16,333)	-	(36,129)
Charge for the year	5,758	6,312	6,375	-	18,445
At 31 July 2024	<u>46,876</u>	<u>22,494</u>	<u>77,241</u>	<u>45,890</u>	<u>192,501</u>
Net book value					
At 31 July 2024	<u>11,223</u>	<u>7,967</u>	<u>80,476</u>	<u>-</u>	<u>99,666</u>
At July 31 2023	<u>13,895</u>	<u>2,329</u>	<u>80,130</u>	<u>-</u>	<u>96,354</u>

LETCWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024 (continued)

10. Debtors

	Total 2024	Total 2023
	£	£
Income tax recoverable (Gift Aid)	351	2,673
Accrued income	-	10,000
Other debtors	1,441	6,816
Prepayments	5,696	
	<u>7,488</u>	<u>19,489</u>

Accrued income in 2023 was 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 2024	Total 2023
	£	£
Accruals and deferred income	<u>5,426</u>	<u>15,498</u>

12. Commitments

The Trustees have committed expenditure of £40,000 towards the refurbishment of the Kincaid Hall and improvements to the Settlement's audio-visual equipment. £32,000 of this committed expenditure relates to capital items. The committed expenditure is in addition to £5,696 of prepaid expenditure (note 10 Debtors) relating to the refurbishment of the Kincaid Hall and new audio-visual equipment.

The Trustees confirm that sufficient funds are available to meet the committed expenditure, 75% of it should be expended within three months of the balance sheet date.

LETCHWORTH EDUCATIONAL SETTLEMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024 (continued)

13. 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 2024:

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 2023 £	Income £	Expenditure (incl. disposal loss) £	Transfers £	Balance at 31 July 2024 £
Unrestricted funds					
Unrestricted funds	191,661	351,067	361,625	(5,000)	176,103
Designated funds	25,000	-	-	5,000	30,000
	<u>216,661</u>	<u>351,067</u>	<u>361,625</u>	<u>-</u>	<u>206,103</u>
Restricted funds					
Property improvements	39,395	-	2,805	-	36,590
Bursary	20,466	-	584	-	19,882
	<u>59,861</u>	<u>-</u>	<u>3,389</u>	<u>-</u>	<u>56,472</u>
Total funds	276,522	351,067	365,014	-	262,575

The transfer from unrestricted funds to designated funds represents the agreed annual allocation (£5,000) to meet future property repair and maintenance costs.

14. Trustee remuneration and expenses

The Trustees received no remuneration or other benefits (2023: £nil). One Trustee received payments totalling £10,623 (2023: Three Trustees (two current and one former) totalling £13,341) for professional or other services as a tutor for Settlement courses. No Trustees received any expenses for travel and related costs (2023: £nil).

15. Related party transactions

There were no related party transactions.