

**LETCWORTH EDUCATIONAL SETTLEMENT**

**TRUSTEES REPORT AND UNAUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2018**



**Charity Registration No. 0311085**

# LETCHWORTH EDUCATIONAL SETTLEMENT

## LEGAL AND ADMINISTRATIVE INFORMATION

**Charity name** Letchworth Educational Settlement

**Charity number** 311085

**President** Mr J Bird (JB)

**Members of the  
Management Committee**

**Trustees**

Mrs P Burn (PB) (Chair)

Mr N Carrick (NC) (Vice Chair)

Mr T James (TJ) (Minutes Secretary)

Ms Akua Obeng-Frimpong (AO-F)

Mrs E Barber (EB)

Mr P Chapman (PC)

Mr R Thorogood (RT)

Mrs S Halfpenny(SH)

**External Treasurer** D Brown

**Principal address** Nevells Road  
Letchworth Garden City  
Herts  
SG6 4UB

**Independent Examiner** James Price FCA CF  
UHY Hacker Young  
PO Box 501  
The Nexus Building  
Broadway  
Letchworth Garden City  
Herts  
SG6 9BL

# LETCHWORTH EDUCATIONAL SETTLEMENT

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# **LETCHWORTH EDUCATIONAL SETTLEMENT**

## **TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2018**

### **History, objectives and activities of the Trust**

The Letchworth Adult Educational Settlement ("the Settlement") was established in 1920 and moved to its current address in 1925.

The Constitution was amended at the Annual General Meeting in 2002, again at the Annual General Meeting in 2008 after consultation with the Charity Commission and in 2017 after consultation with the Charity Commission. Details of the changes made are available if required.

### **Trustees**

The Board of Trustees is elected annually by the members at the Annual General Meeting of the Settlement. To be eligible for election, a candidate must be a Member of the Settlement. Management Committee members are the Trustees. The Management Committee ("the Committee") is the title and designation of the body responsible for the governance and administration of the Settlement.

### **Members**

Any person is deemed to be eligible for the membership of the Settlement by the Committee providing they support the Settlement Aims and Objectives, abide by the Settlement 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 members, who will not be liable to any subscription.

### **Aims and objectives**

The Constitution defines the aims and objectives of the Settlement as to provide a centre for education, recreation and social activities open to all in a friendly, accessible and supportive atmosphere. The methods whereby the Letchworth Educational Settlement (The Settlement) achieves these aims and objectives are:-

1. By providing classes and courses of instruction which are, as far as possible, arranged to meet the educational requirements and interests of the district. A wide connotation is given to the term 'district'.
2. By providing facilities and instruction for participation in the creative and performing arts and a meeting place for appropriate local organizations. The active contribution of members cannot be overstated.
3. By arranging a diverse programme of lectures and talks by notable speakers.
4. By liaising locally and nationally with other bodies concerned with education. Matters of common concern include provision of local facilities, meeting local needs and heritage issues. We are often seen as a resource for research projects.

## **LETCWORTH EDUCATIONAL SETTLEMENT**

### **TRUSTEES ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018**

#### **Management and governance arrangements**

The Letchworth Educational Settlement is a Registered Charity and is governed by its trustees who form the Management Committee and are elected annually by the Annual General Meeting. The day to day running of the Charity is delegated to the Manager and other staff, whose function is to work with the Management Committee to ensure its strategic aims are achieved.

#### **Risk Management**

The major risks to the Charity are in matching the courses offered to the requirements of the Community, and the continued support of the Community in terms of fees and donations. The Trustees have been made aware of these risks and consider that there are suitable systems in place to mitigate the effect.

The Funds of The Settlement are used only for the work of The Settlement and no part is distributed among the members.

#### **Reserves Policy**

The Trustees wish to retain a cash reserve of between £50 - £60,000, would enable the Settlement to run down over a period of six months (including redundancies) should circumstances dictate this to be necessary. Our Reserves policy is available for inspection if required. The Reserve will also be available to ease cash flow should an emergency occur, such as a boiler failure or similarly unforeseen operational expense. The Settlement receives a large percentage of income prior to expenditure so cash flow generally is not a problem. Reserves have been set for this year at £55,000.

#### **Plans for the Future**

The Settlement will be continuing to expand the range of workshops and lectures as part of an ongoing effort to refresh our programme and attract new people into the organisation and secure its long term future.

It will also be seeking to further develop partnership arrangements with other groups and bodies such as the Heritage Foundation, in order to reduce overall costs and expand the range of courses/lectures on offer.

The Settlement is extending its use of social media such as Facebook and LinkedIn to reach out to potential audiences further afield.

#### **Achievements and Progress during the year**

Please see the attached reports from the Chair and Manager at Appendix A and B respectively.

#### **Key Management personnel remuneration**

The trustees consider the board of trustees and the manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

## LETCWORTH EDUCATIONAL SETTLEMENT

### TRUSTEES ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

The pay of the charity's Manager is reviewed annually to ensure that it is set at a fair level in comparison with other local organisations of a similar size and scope.

All trustees give of their time freely and no trustee remuneration was paid in the year.

#### **Financial review**

The Settlement provided over 80 affordable courses and workshops each term, from arts and crafts and languages to history, literature and much more. These courses were attended by about one thousand students in total. They were especially well attended by senior citizens in the community. The Settlement is able to keep the prices of these courses at affordable levels by operating the charity with only a very small group of paid staff (3 full time equivalents) and a large group of volunteers. It also raises funds to subsidise the costs of these courses and maintain the facilities in a first class state by running events from Fairs to Lectures, Quizzes, a Raffle and Prize Draw.

There are four main Resource Income streams for the Charity, they are: trading activities (running of courses), membership subscriptions, fund raising efforts and donations.

The Resource Expenditure is defined as either direct charitable activities or governance costs.

The allocation of Income and Expenditure is on a gross basis since the Charity is not currently VAT registered and VAT is therefore an irrecoverable cost.

The objectives and activities have been pursued during the year and the results are shown in the attached accounts, which form an integral part of this report. They show a net deficit of resources of £5,197, up from a deficit of £4,116 last year.

The unrestricted funds in the balance sheet represent funds for the current and prior years which have now been spent on their respective projects.

Compared with last year income in total is £27,139 higher. The main reason for this is an increase in charitable activities.

On the expenditure side costs are £28,220 higher than last year, with an increase in lecturers' fees, planned maintenance, premises costs and general administration costs.

Within the Net Current Assets in the Accounts of £69,526 are the Reserves of £55,000 and Designated Funds amounting to £7,220. The Designated Funds comprise monies set aside each year for known long term maintenance and replacement items. The amounts added to this Fund are reviewed and adjusted each year by the Management Committee where appropriate. They include such items as complete external redecoration every seven years as required by our lease, replacement boilers, sanding of the Hall floor every four years and similar large cost items.

**LETCWORTH EDUCATIONAL SETTLEMENT**

**TRUSTEES ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2018**

**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:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgments and estimates that are reasonable and prudent;
- 3) 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
- 4) 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 to 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.

**Independent Examiner**

The trustees intend to ask the existing independent examiner to undertake the independent examination of the Trust in the following year.

Signed on behalf of the trustees

.....  
Mrs P Burn  
Chair

Date:.....

.....  
Ms D Brown  
Treasurer

Date: .....

## **LETCHWORTH EDUCATIONAL SETTLEMENT**

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LETCHWORTH EDUCATIONAL SETTLEMENT**

I report to the trustees on my examination of the financial statements of Letchworth Educational Settlement (the Settlement) for the year ended 31 July 2018.

#### **Responsibilities and basis of report**

As the trustees of the society (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Settlement are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Settlement's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

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

1. accounting records were not kept in respect of the society as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for 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 financial statements to be reached.

James Price  
UHY Hacker Young  
PO Box 501  
The Nexus Building  
Broadway  
Letchworth Garden City  
Herts  
SG6 9BL  
Dated:



# LETCWORTH EDUCATIONAL SETTLEMENT

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2018

		Unrestricted funds £	Designated funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b><u>Incoming Resources from generated funds</u></b>	<b>Note</b>					
Donations, legacies and other similar income		6,859	-	-	6,859	8,064
Income from charitable activities	4	271,369	-	-	271,369	242,971
Investment income		150	-	-	150	204
<b>Total income</b>		<b>278,378</b>	<b>-</b>	<b>-</b>	<b>278,378</b>	<b>251,239</b>
<b><u>Expenditure</u></b>						
<b>Expenditure on charitable activities</b>						
Provision of courses, classes etc.	5	276,990	3,780	2,805	283,575	255,006
Outing expenses	5	-	-	-	-	349
<b>Total expenditure</b>		<b>276,990</b>	<b>3,780</b>	<b>2,805</b>	<b>283,575</b>	<b>255,355</b>
<b>Net loss/ income for the year</b>		<b>1,388</b>	<b>-3,780</b>	<b>-2,805</b>	<b>-5,197</b>	<b>-4,116</b>
<b>Transfers between funds</b>		<b>-3,600</b>	<b>3,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at 1 August 2017</b>		<b>170,760</b>	<b>7,400</b>	<b>56,224</b>	<b>234,384</b>	<b>238,500</b>
<b>Fund balances at 31 July 2018</b>		<b>168,548</b>	<b>7,220</b>	<b>53,419</b>	<b>229,187</b>	<b>234,384</b>

# LETCWORTH EDUCATIONAL SETTLEMENT

## BALANCE SHEET AS AT 31 JULY 2018

	Note	2018		2017	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	7		159,661		152,445
<b>Current Assets</b>					
Debtors	8	6,085		6,044	
Cash at Bank and in hand		<u>121,459</u>		<u>130,598</u>	
		<u>127,544</u>		<u>136,642</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>58,018</u>		<u>54,703</u>	
<b>Net Current Assets</b>			<b>69,526</b>		<b>81,939</b>
<b>Total Net Assets</b>			<u><b>229,187</b></u>		<u><b>234,384</b></u>
<b>Represented by:</b>					
Unrestricted funds			168,548		170,760
Unrestricted designated funds			7,220		7,400
Restricted funds			53,419		56,224
			<u><b>229,187</b></u>		<u><b>234,384</b></u>

The financial statements on pages 6 to 10 were approved by the Trustees on .....  
and signed on their behalf by:

.....  
D Brown

**Charity number : 0311085**

# LETCWORTH EDUCATIONAL SETTLEMENT

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2018

### 1. Accounting policies

#### 1.1 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 Charity's ability to continue as a going concern.

#### 1.2 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write

Fixtures and fittings	10% p.a. straight line
Office equipment	25% p.a. straight line
Property improvements	straight line over 3 years
Building improvements	straight line over 27,29 and 30 years

#### 1.3 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.

#### 1.4 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.

#### 1.5 Funds structure

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

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

#### 1.6 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.

# LETCHWORTH EDUCATIONAL SETTLEMENT

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2018

### 2. Taxation

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

### 3. Investment income

	2018	2017
	£	£
Bank interest	<u>150</u>	<u>205</u>

### 4. Income from charitable activities

	2018	2017
	£	£
Provision of Courses and Classes and membership fees	207,715	176,033
Lettings income	42,573	44,368
Other income	21,081	21,738
Outings income	-	832
	<u>271,369</u>	<u>242,971</u>

### 5. Analysis of expenditure on charitable activities

	2018	2017
	£	£
<b>Provision of Courses and Classes</b>		
Tutor fees	118,640	101,008
Premises costs	46,815	40,351
Depreciation	17,695	14,095
Transport and ticket costs	-	349
Sinking Fund	-	3,700
Governance costs	2,070	1,880
Support costs	98,355	93,872
	<u>283,575</u>	<u>255,255</u>
<b>Support costs</b>	£	£
Staff costs	77,061	72,471
General office costs	21,294	21,501
	<u>98,355</u>	<u>93,972</u>
<b>Governance costs</b>	£	£
Independent examiner's and accountant fee	<u>2,070</u>	<u>1,880</u>

The trustees consider that any apportionment of support and governance costs to investment management expenses or to outings related expenditure would be a negligible sum and therefore no apportionment exercise is deemed necessary.

### 6. Staff costs

	2018	2017
	£	£
Remuneration paid to employees	75,633	71,811
Social security costs	861	335
Pension costs	567	325
	<u>77,061</u>	<u>72,471</u>

The average number of employees during the year was:

3

3

There were no employees whose annual emoluments were £60,000 or more.

# LETCHWORTH EDUCATIONAL SETTLEMENT

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

### 7. Tangible fixed assets

	Fixtures & Fittings £	Office Equipment £	Building Improvements £	Property Improvements £	Total £
<b>Cost</b>					
At 1 August 2017	48,204	24,955	166,813	45,890	285,862
Additions	16,100	8,811	-	-	24,911
At 31 July 2018	<b>64,304</b>	<b>33,766</b>	<b>166,813</b>	<b>45,890</b>	<b>310,773</b>
<b>Depreciation</b>					
At 1 August 2017	18,089	19,135	50,303	45,890	133,417
Charge for the year	5,900	5,663	6,132	-	17,695
At 31st July 2018	<b>23,989</b>	<b>24,798</b>	<b>56,435</b>	<b>45,890</b>	<b>151,112</b>
<b>Net book value</b>					
<b>At July 31 2018</b>	<b>40,315</b>	<b>8,968</b>	<b>110,378</b>	<b>-</b>	<b>159,661</b>
At July 31 2017	30,115	5,820	116,510	-	152,445

### 8. Debtors

	2018 £	2017 £
Prepayments	<b>6,085</b>	6,044

### 9. Creditors: amounts falling due within one year

	2018 £	2017 £
Loans	<b>1,668</b>	-
Accruals and deferred income	<b>56,350</b>	54,703
	<b>58,018</b>	54,703

Deferred income comprises prepaid course fees.

### 10. Fund balances

Restricted funds relate to property improvements and are fully represented within tangible fixed assets.

Designated funds represent money set aside for the future decoration and maintenance of the property and are fully represented within the net current assets figure. The fund balance had previously been reported within unrestricted funds and as an accrual within creditors. The change in presentation means that creditors as at 31 July 2017 are now shown as £54,703 versus the previously reported figure of £62,103. The difference between these two figures of £7,400 is represented by the Designated Fund brought forward balance as per the Statement of Financial Activities.

### 11. Related party transactions and trustees' expenses and remuneration

The trustees all give their time and expertise without any form of remuneration or other benefit in cash or kind. Expenses paid to the trustees in the year totalled £nil (2017 - £nil). There are no related party transactions to report.