

REGISTERED CHARITY NUMBER: 1057370

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

FOR

EASTBROOK EDUCATION TRUST

EASTBROOK EDUCATION TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2019

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EASTBROOK EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2019

Registered charity number
1057370

Principle address
7 Eastbrook Road
Gloucester
Gloucestershire
GL4 3DB

Trustees
D Pomeroy
C Haughton
B Freeman
G Tomkins
G Knappett
N Freeman
A Trigwell

Head teacher
T Neave (to 31 July 2019)

Auditors
The Richards Sandy Partnership
Thorneloe House
25 Barbourne Road
Worcester
Worcestershire
WR1 1RU

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2019**

The trustees present their report with the financial statements of the charity for the year ended 31st December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objects

The charitable objects of the charity are the advancement of the education of children and young people and any other charitable purpose for the benefit of the worldwide Christian fellowship known as the Plymouth Brethren Christian Church.

In furtherance of its objects, the charity operates an independent school based in Gloucester Campus (the "school").

Ethos

Students are encouraged to develop their full potential and acquire the discipline of learning how to learn, while upholding Christian teachings and beliefs.

The truth and authority of the Holy Bible and strong family values underpin the commitment of the school to provide quality in every facet of education – curriculum, teachers, facilities, management and discipline - in a safe and caring environment.

Values

The trustees are drawn from the Brethren community and the school is committed to a way of life that is governed by the Holy Bible, expecting the conduct of pupils and staff consistently to reflect Biblical values and the specific values of the school, which include:

- Integrity – uprightness, honesty and decorous conduct, governed by the Holy Bible;
- Care & Compassion – kindness, consideration and generosity to all;
- Respect – for all people, property, opinions and authority;
- Responsibility – for our actions, progress and environment;
- Commitment – to self-discipline and the pursuit of excellence.

Key Performance Indicators

The school's primary measure of success was the results of its inspections by the school Inspection Service, an independent body approved by the Secretary of State for Education and monitored by Ofsted. Prior to the transfer of the school's operations to OneSchool Global UK, the most recent report (dated October 2017) found:

- The Quality of Education – Outstanding
- Pupils' Personal Development – Outstanding
- Safeguarding pupils' welfare health and safety – Outstanding
- Leadership, management and governance – Outstanding

Pupil Fee Relief

During the financial year fee relief was available at the discretion of the trustees for those who cannot afford full fees. All pupils are treated equally and in making any decisions regarding the education of a pupil, the trustees ensure that the same attention, facilities and provision are made available to all pupils, taking into account their individual needs.

Volunteer Contribution

The school is run by volunteer executives, some of whom may be parents of pupils. However, the charity employs professional teachers to provide day to day management and to teach the pupils. Volunteers was used for tasks within the school such as supporting school excursions, bus driving, library vetting, lunch time mentoring, etc.

The trading activities of the charity's trading subsidiary Spectrum Products (UK) Limited, which operates a small chain of convenience stores, are undertaken by volunteers.

ACHIEVEMENT AND PERFORMANCE

On 31 July 2019 the charity transferred the operations of the school to OneSchool Global UK (a registered charity). However the charity retained ownership of the freehold property and following the transfer, supported the school's operations by providing OneSchool Global UK use of the property free of charge and providing administrative functions.

Prior to this, the school provides an education for 181 children for the academic year 2018/19. The age range of children attending the school is between seven and eighteen years of age.

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2019**

FINANCIAL REVIEW

Financial Position

At the year end the charity (excluding its trading subsidiary) held tangible fixed assets (including social investment in property) with net book value totalling £1,067,375 (2018 - £1,648,492), investment in subsidiaries of £2 (2018 - £2), net current assets of £448,602 (2018 - £397,691) and total funds of £1,276,827 (2018 - £2,046,185).

The trading subsidiary had at the year end total net assets of £33 (2018 - £33) following gift aid distributions to the charity in the year of £224,827 (2018 - £245,268).

Principal Risks

Following the transfer of the activities of the school to OneSchool Global UK shortly after the year end, the principal risks to the charity are:

- the risk of damage to the property held by the charity (although the charity holds property insurance);
- the closure or relocation of the school by OneSchool Global UK (which is considered unlikely to occur); and
- the fall in trading activities of Spectrum Products (UK) Limited, either due to a fall in customer loyalty or due to significant supplier price increases (which the directors of Spectrum Products (UK) Limited monitor and take appropriate action).

The trustees' have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. There were no serious incidents relating to the charity over the year to report.

Reserves Policy

The transfer agreement that the charity entered into with OneSchool Global UK requires that the charity pay over to OneSchool Global UK practically all unrestricted funds currently held. A provision has been made in for this obligation within the financial statements (see note 20 of the financial statements for further details).

At the year end the group had, excluding designated funds of £32,407 (2018 - £nil), unrestricted funds of £33 (2018 - £222,593), of which £2 (2018 - £222,562) related to the charity). Designated funds relate to specific donations and legacies received in the current year earmarked by the trustees for capital improvements.

At the year end the charity has restricted funds relating to the capital fund of £1,244,418 (2018 - £1,823,623). Tangible fixed assets held by the charity (excluding those held by its trading subsidiary but include social investment in property) held within the capital restricted fund totalled £1,067,375 (2018 - £1,648,492), with the remaining £177,043 (2018 - £175,131) relating to cash received for the purpose of maintaining tangible fixed assets of the school which has not yet been spent. Because the property of the school requires a programme of significant renovation and repair work be carried out every few years, it is the policy of the charity hold a reserve of unspent cash within the capital restricted fund until it is needed to fund such renovations (rather than to spend such monies at the earliest opportunity).

FUTURE PLANS

Following the transfer of the operations of the school to OneSchool Global UK, the charity expects to continue to manage the freehold property owned by the charity and rented to OneSchool Global UK for use as a school building. In addition the charity's trading subsidiary will continue to raise funds that are to be passed over to OneSchool Global UK.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Eastbrook Education Trust is constituted under a charity Trust Deed dated 25 June 1996, operating with seven trustees, Douglas Pomeroy, Andrew Trigwell, Nigel Freeman, Clive Haughton, Guy Knappett, Gavin Tomkins and Barrie Freeman, each with their own particular area of responsibility.

Four of the trustees form a CA team, responsible for daily operational and curricular needs in Focus school - Gloucester Campus which the charity operates. Focus Learning Trust provides advice and guidance to the trustees on the formulation of the school policies and practices and monitors expenditure of the funding it provides.

Formal, full charity meetings with minutes are held at least once per school term. The head teacher attends part of these meetings and presents his report relating to performance and progress in the school.

New trustees are appointed at charity meetings and training given by the outgoing trustee being replaced, along with support from fellow trustees.

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

Holding Trustees

The freehold property is held in the names of all of the current trustees of the charity.

The shares of the charity's subsidiary Spectrum Products (UK) Limited are held in the names of B Freeman and G Knappett.

Key Management Personnel

Prior to the transfer of the school, the trustees delegated the day-to-day running of the school to the head teacher T Neave (supported by the senior leadership team).

After the transfer of the school, the trustees did not delegate the running of the charity to any key management personnel.

The charity's subsidiary Spectrum Products (UK) Limited has a separate board of directors (who are all unpaid volunteers).

Public Benefit

The trustees confirm that they have complied with the duty in Section 4, Charities Act 2011, to have due regard to the guidance issued by the Charity Commission concerning public benefit.

Approach to fundraising

The charity's approach to fundraising is to encourage its supporters to raise voluntary funds to support its aims and activities. The trustees ensure that such fundraising activities are not overly intrusive or persistent and does not put members of the public under pressure to donate by monitoring the fundraising activities undertaken by its supporters. Any complaints would be dealt with by the trustees. The charity is not bound to any voluntary regulating scheme or standard. The charity does not use a commercial participator to undertake fundraising activities.

TRUSTEES' RESPONSIBILITIES

The trustees, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity deed, requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity deed. 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.

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES


FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENTS AS TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow trustees and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Board of Trustees on^{9.12.2020}..... and signed on its behalf by:


.....
C. Knappett - Trustee

EASTBROOK EDUCATION TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EASTBROOK EDUCATION TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Eastbrook Education Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31st December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31st December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw your attention to the going concern section of the accounting policies as set out in note 1 of these financial statements. Our opinion is not modified in this respect of this matter.

Otherwise, we have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

EASTBROOK EDUCATION TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EASTBROOK EDUCATION TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

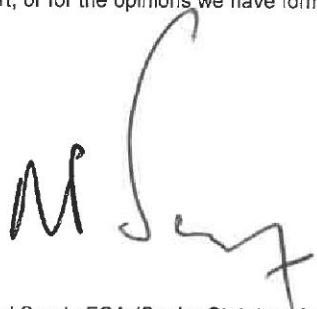
Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Paul Sandy FCA (Senior Statutory Auditor)
For and on behalf of The Richards Sandy Partnership Limited (Statutory Auditors)
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Thorneloe House
25 Barbourne Road
Worcester
WR1 1RU

Date: 9/12/2020

EASTBROOK EDUCATION TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

					Year Ended 31 December 2019 Total Funds £	Year Ended 31 December 2018 Total Funds £
	Note	Unrestricted Fund (continuing) £	Unrestricted Fund (discontinuing) £	Restricted Fund (continuing) £	Restricted Fund (discontinuing) £	
INCOME FROM:						
Donations and legacies	2	-	101,389	-	17,897	119,286
Charitable activities	3	-	790,890	-	-	790,890
Other trading activities	4	906,389	8,864	-	-	915,253
TOTAL INCOME		906,389	901,143	-	17,897	1,825,429
EXPENDITURE ON:						
Raising funds	6	686,616	5,411	-	-	692,027
Charitable activities	7	24,218	1,008,078	310,131	5,382	1,347,809
Transfer of school's operations to OneSchool Global UK	20	-	254,596	-	300,355	554,951
TOTAL EXPENDITURE		710,834	1,268,085	310,131	305,737	2,594,787
NET INCOME/(EXPENDITURE)		195,555	(366,942)	(310,131)	(287,840)	(769,358)
TRANSFERS BETWEEN FUNDS	22	(18,766)		18,766		-
NET MOVEMENT IN FUNDS		(190,153)		(579,205)		(769,358)
TOTAL FUNDS						
Brought forward		222,593		1,823,823		2,046,216
Carried forward	22	32,440		1,244,418		1,276,858

DISCONTINUING OPERATIONS

On 31 July 2019 the charity transferred to OneSchool Global UK (a charitable company) the trade and assets of the school (including the rights to all future donation and legacy income), except for the tangible fixed assets of the charity which are to be leased to OneSchool Global UK for a peppercorn rent.

CONTINUING OPERATIONS

The activities of the charity relating to the management of tangible fixed assets are considered continuing charitable activities, to be funded from service charge income receivable from OneSchool Global UK in future years.

Ownership of the trading subsidiary has not been transferred to OneSchool Global UK and its operations are considered to be continuing activities, with income generated to be used to fund additional grants issued to OneSchool Global UK.

EASTBROOK EDUCATION TRUST

INDIVIDUAL PARENT STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

					Year Ended 31 December 2019 Total Funds £	Year Ended 31 December 2018 Total Funds £
	Note	Unrestricted Fund (continuing) £	Unrestricted Fund (discontinuing) £	Restricted Fund (continuing) £	Restricted Fund (discontinuing) £	
INCOME FROM:						
Donations and legacies	2	-	88,363	-	17,897	106,260
Charitable activities	3	-	790,890	-	-	790,890
Other trading activities	4	-	8,864	-	-	8,864
Investment income	5	224,827	-	-	-	224,827
TOTAL INCOME		224,827	888,117	-	17,897	1,130,841
EXPENDITURE ON:						
Raising funds	6	-	5,411	-	-	5,411
Charitable activities	7	16,246	1,008,078	310,131	5,382	1,339,837
Transfer of school's operations to OneSchool Global UK	20	-	254,596	-	300,355	554,951
TOTAL EXPENDITURE		16,246	1,268,085	310,131	305,737	1,900,199
NET INCOME/(EXPENDITURE)		208,581	(379,968)	(310,131)	(287,840)	(769,358)
TRANSFERS BETWEEN FUNDS	22	(18,766)		18,766		-
NET MOVEMENT IN FUNDS		(190,153)		(579,205)	(769,358)	79,009
TOTAL FUNDS						
Brought forward		222,562		1,823,623	2,046,185	1,967,176
Carried forward	22	32,409		1,244,418	1,276,827	2,046,185

DISCONTINUING OPERATIONS

On 31 July 2019 the charity transferred to OneSchool Global UK (a charitable company) the trade and assets of the school (including the rights to all future donation and legacy income), except for the tangible fixed assets of the charity which are to be leased to OneSchool Global UK for a peppercorn rent.

CONTINUING OPERATIONS

The activities of the charity relating to the management of tangible fixed assets are considered continuing charitable activities, to be funded from service charge income receivable from OneSchool Global UK in future years.

Ownership of the trading subsidiary has not been transferred to OneSchool Global UK and its operations are considered to be continuing activities, with income generated to be used to fund additional grants issued to OneSchool Global UK.

EASTBROOK EDUCATION TRUST

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
FIXED ASSETS					
Tangible fixed assets	13	726,693	1,663,972	697,375	1,648,492
Social investment in property	14	370,000	-	370,000	-
Investments	15	-	-	2	2
		<u>1,096,693</u>	<u>1,663,972</u>	<u>1,067,377</u>	<u>1,648,494</u>
CURRENT ASSETS					
Stocks	16	119,760	128,998	-	-
Debtors	17	60,859	159,029	136,302	226,627
Cash at bank and in hand		395,806	347,942	371,399	336,206
		<u>576,425</u>	<u>635,969</u>	<u>507,701</u>	<u>562,833</u>
LIABILITIES					
Amounts falling due within one year	18	(157,108)	(253,725)	(59,099)	(165,142)
NET CURRENT ASSETS		<u>419,317</u>	<u>382,244</u>	<u>448,602</u>	<u>397,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,516,010</u>	<u>2,046,216</u>	<u>1,515,979</u>	<u>2,046,185</u>
PROVISIONS FOR LIABILITIES	20	(239,152)	-	(239,152)	-
NET ASSETS		<u>1,276,858</u>	<u>2,046,216</u>	<u>1,276,827</u>	<u>2,046,185</u>
FUNDS	22				
Unrestricted Funds		33	222,593	2	222,562
Designated Funds		32,407	-	32,407	-
Restricted Funds		1,244,418	1,823,623	1,244,418	1,823,623
		<u>1,276,858</u>	<u>2,046,216</u>	<u>1,276,827</u>	<u>2,046,185</u>

The financial statements were approved by the Board of Trustees on 9.12.2020 and were signed by on its behalf by:


B Freeman - Trustee

EASTBROOK EDUCATION TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes to the consolidated cash flow statement	Group 2019 £	Group 2018 £
Cash flows from operating activities:			
Cash generated from operations	1	57,008	294,115
Cash collected as agent of OneSchool Global UK (see note 20)		188,358	-
Amounts paid to OneSchool Global UK in regard to amounts owing under the transfer agreement (see note 20)		(140,318)	-
Net cash provided by operating activities		105,048	294,115
Cash flows from investing activities:			
Purchase of tangible fixed assets		(57,184)	(36,581)
Sale of tangible fixed assets		-	-
Net cash used in investing activities		(57,184)	(36,581)
Change in cash and cash equivalents in the year		47,864	257,534
Cash and cash equivalents at the beginning of the year		347,942	90,408
Cash and cash equivalents at the end of the year	2	395,806	347,942

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	Group 2019 £	Group 2018 £
Net expenditure for the year <i>(as per the statement of financial activities)</i>	(769,358)	79,009
Adjustments for:		
Depreciation charges	324,108	90,342
Loss on disposal of tangible fixed assets	-	1,015
Charge for the transfer of school activities to OneSchool Global UK (see note 20)	554,951	-
(Increase)/decrease in stocks	9,238	(4,912)
(Increase)/decrease in debtors	34,686	64,231
Increase/(decrease) in creditors	(96,617)	64,430
Net cash provided by operating activities	57,008	294,115

2 ANALYSIS OF CHANGES IN NET DEBT

	At the start of the year £	Cash flows in the year £	At the end of the year £
Cash at bank and in hand	347,942	47,864	395,806
	347,942	47,864	395,806

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

1 ACCOUNTING POLICIES

Charity information

Eastbrook Education Trust is an unincorporated charity registered with the Charity Commission for England and Wales.

The registered office and principal activities of Eastbrook Education Trust are set out in the Report of the Trustees.

Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The accounts are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group financial statements

These consolidated financial statements incorporate the accounts of Eastbrook Education Trust and its wholly owned subsidiary Spectrum Products (UK) Limited on a line by line basis. Both entities prepare their individual company financial statements adopting accounting policies not considered different from those of these consolidated financial statements and prepared to a year end of 31 December 2019. All intra-group transactions and balances are eliminated on consolidation.

The charity is exempt from disclosing Cash Flow Statement for the individual parent charity's results as the individual parent charity is a qualifying entity.

Going concern

On 31st July 2019 the charity transferred to OneSchool Global UK (a charitable company) the trade and assets of the school (including the rights to all future donation and legacy income), except for the tangible fixed assets of the charity which are to be leased to OneSchool Global UK for a peppercorn rent.

After this date, the charity will operate as owner and manager of property made available to OneSchool Global UK in furtherance of the objects of the charity to be funded by future service charges payable by OneSchool Global UK. In addition, profits of the trading subsidiary Spectrum Products (UK) Limited will be used to fund additional future grants to be paid to OneSchool Global UK.

At the time of approving these financial statements, the trustees have a reasonable expectation that the group and parent charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. The trustees continue to adopt the going concern basis of accounting in preparing these financial statements.

Incoming resources

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

Donation and grant income is recognised when the group has been notified of the amounts. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charitable company and it is probable that they will be fulfilled.

School fee income and income from other services provided is recognised over the periods to which it relates.

Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has passed to the buyer (usually on delivery of the goods) and the amount of turnover can be measured reliably.

Rental income is recognised on a straight line basis over the lease period.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

1 ACCOUNTING POLICIES (Continued)

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the group to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

The cost of generating funds indicates only those costs directly related to fundraising activities.

Charitable activity costs relate to those costs that directly relate to the running of the school.

Support costs are costs incurred to facilitate an activity. Unlike direct costs, which result directly from undertaking the activity, support costs do not change directly as a result of the activity undertaken. Support costs include property maintenance costs, including rates and utilities costs, depreciation of tangible fixed assets and legal and accountancy fees.

The irrecoverable element of Value Added Tax is included with the item of expenses to which it relates.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete stock and slow moving items.

Tangible fixed assets

Tangible fixed assets, other than freehold and leasehold property, are stated at cost less depreciation. The trustees have reviewed the value of the freehold property and leasehold agreement and have made an appropriate impairment provision for any change in circumstances.

Depreciation of other assets are provided at rates calculated to write off the excess cost over the estimated residual amount evenly over the estimated useful economic life of each class of asset as follows:

Used for charitable activities

Freehold property	: not depreciated
Freehold improvements	: 25% reducing balance
Leasehold improvements	: 25% reducing balance
Motor vehicles	: 20% reducing balance
Fixtures, fittings and equipment	: 20% on cost

Used for trading activities

Leasehold improvements	: 20% reducing balance
Fixtures, fittings and equipment	: 25% on cost

Freehold property is not depreciated on the basis that its residual value is not expected to be materially lower than its original cost.

During the year the depreciation policy for freehold improvements has changed from not depreciated to 25% reducing balance. This has resulted in an additional depreciation charge this year of £216,356.

During the year the depreciation policy for fixtures, fittings and equipment used for charitable activities has changed from 20% reducing balance to 20% on cost. This has resulted in an additional depreciation charge this year of £29,531.

If there is an indication that any tangible fixed assets is impaired, then such assets are then written down to their value in use, considered to be the present value of the asset's remaining service potential plus the net amount that will receive from its disposal.

Social investments in property

Property is classified as a social investment in property only when it is held specifically to enable a third party to undertake particular activities using the property that contribute to the charity's charitable purposes.

Social investment in property is measured at cost and is not depreciated on the basis that its residual value is not expected to be materially lower than its original cost.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

1 ACCOUNTING POLICIES (Continued)

Investments in subsidiaries

Investments in subsidiaries in the parent charity's individual balance sheet are measured at cost less impairment.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Fund accounting

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

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

Pension costs

The Trust's employees pay into two principal pension schemes. Teachers pay into the Teachers' Pension Scheme England and Wales (TPS) which is a multi-employer defined benefit scheme. Non-teachers pay into a defined contribution scheme.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Donated services

Where services or use of premises are donated (provided free of charge), the donated service is measured at fair value, unless it is impractical to measure this reliably. The gain is recognised as income from donations and a corresponding amount is included in the appropriate expenditure category.

The charity benefits from volunteers' time and organisations donating use of their facilities for free. The value to the charity of such donations is not quantifiable and is therefore not included within the financial statements.

Operating leases

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

1 ACCOUNTING POLICIES (Continued)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction cost.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are charged or credited to the Statement of Financial Activities.

Provisions

Provisions are recognised with the group as a legal or constructive obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amounts of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Agency accounting

Amounts collected by the group as agent of OneSchool Global UK have not been accounted for as income of the group.

Significant judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The setting of depreciation policies for tangible fixed assets (which are stated in the accounting policies) are considered a significant judgement. In addition significant judgement is considered to be applied in the review for impairment of tangible fixed assets. The net book value and movements in the year of tangible fixed assets are disclosed in note 13 of the financial statements.

The measurement of the provision for bad debts against trade debtors is considered a significant judgement. Although all trade debtors are accounted for as being reassigned to OneSchool Global UK as at 31 July 2019 (see note 20 of these financial statements), provision for bad debts on income recognised by the group prior to the transfer date have been recognised as an expense to the group, and the amount recognised as part of the obligation to settlements amounts payable to OneSchool Global UK under the transfer agreement have been stated net of any bad debt provisions made as at 31 July 2019. The value of bad debts included as an expense to the group is disclosed within note 10 of these financial statements.

The measurement of the provision for future amounts to be paid to OneSchool Global UK under the transfer agreement between OneSchool Global UK and Eastbrook Education Trust is considered to involve both significant judgement in the decisions made in its accounting treatment and a key source of estimation uncertainty on the basis that OneSchool Global UK and Eastbrook Education Trust may agree to make future decisions that will change the amount of cash that will be paid by Eastbrook Education Trust to OneSchool Global UK under this transfer agreement. Further details regarding the accounting treatment of the transfer agreement can be found in note 20 of these financial statements.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

2 DONATIONS AND LEGACIES

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Discontinuing				
Donations	81,879	234,489	68,853	234,489
Donated rental services	35,000	60,000	35,000	60,000
Legacies	2,407	-	2,407	-
	119,286	294,489	106,260	294,489

Donated rental services relates to a property owned by a supporter of the charity and made available to the charity rent free. The arrangement for the use of this property is considered to have passed over to OneSchool Global UK with the transfer of the activities of the school (see note 20).

3 INCOME FROM CHARITABLE ACTIVITIES

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Discontinuing				
Grant income:				
- Focus Learning Trust	391,005	950,716	391,005	950,716
- OneSchool Global UK	108,102	-	108,102	-
School admission fees	263,116	323,901	263,116	323,901
Career advantage programme	28,667	14,333	28,667	14,333
	790,890	1,288,950	790,890	1,288,950

4 INCOME FROM OTHER TRADING ACTIVITIES

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Continuing				
Convenience store sales	753,063	583,620	-	-
Commission income	125,576	136,260	-	-
Rental income	27,750	-	-	-
Discontinuing				
School uniform sales	2,099	10,646	2,099	10,646
Commission income	1,773	7,067	1,773	7,067
Fundraising events	4,667	4,145	4,667	4,145
Other trading income	325	233	325	233
	915,253	741,971	8,864	22,091

5 INVESTMENT INCOME

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Gift aid distributions received from subsidiary	-	-	224,827	245,268
	-	-	224,827	245,268

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6 RAISING FUNDS EXPENDITURE

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Continuing				
Convenience store purchases	560,154	415,143	-	-
Convenience store subcontractors	23,905	6,275	-	-
Rent	28,452	5,652	-	-
Rates and utilities	21,521	6,486	-	-
Insurance	913	555	-	-
Telephone	4,035	1,683	-	-
Property maintenance	7,970	3,737	-	-
Bad debts	282	3,543	-	-
Bank and card charges	12,875	8,553	-	-
Depreciation	13,977	6,941	-	-
Sundry	12,532	9,313	-	-
Discontinuing				
school uniform purchases	5,411	9,695	5,411	9,695
	692,027	477,576	5,411	9,695

7 CHARITABLE ACTIVITIES COSTS

		Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
School tuition					
Direct costs	(see note 8)	799,624	1,312,225	799,624	1,312,224
Support costs	(see note 9)	548,185	456,600	540,213	449,870
		1,347,809	1,768,825	1,339,837	1,762,094

8 DIRECT COSTS

		Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Discontinuing					
Staff wages	(see note 11)	530,256	948,060	530,256	948,060
Agency staff		92,610	107,056	92,610	107,056
Books and stationery		16,140	38,948	16,140	38,948
Exam fees		19,584	24,135	19,584	24,135
Rent		78,195	66,274	78,195	66,274
Vehicle leasing costs		3,266	2,664	3,266	2,664
Transport costs		33,849	75,660	33,849	75,659
Telephone		2,441	4,212	2,441	4,212
Sundry		23,283	45,216	23,283	45,216
		799,624	1,312,225	799,624	1,312,224

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9 SUPPORT COSTS

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
School tuition				
Continuing				
Accountancy fees	24,218	18,145	16,246	11,415
Depreciation	310,131	83,401	310,131	83,658
Loss on disposal of tangible fixed assets	-	1,015	-	660
Discontinuing				
Rates and utilities	49,020	51,211	49,020	51,211
Property maintenance	43,111	72,739	43,111	72,837
Staff wages	93,243	140,671	93,243	140,671
Legal and professional fees	(5,000)	13,400	(5,000)	13,400
Bad debts	33,462	76,018	33,462	76,018
	548,185	456,600	540,213	449,870

Legal and professional fees for 2019 relates only to the reversal of a 2018 accrual which exceeded the amount actually paid in 2019.

10 NET INCOME / (EXPENDITURE) CHARGES

Net income / (expenditure) per the Statement Of Financial Activities is stated after charging / (crediting):

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Operating lease income	(27,750)	-	-	-
Operating lease expenditure	109,913	74,590	81,461	68,938
Depreciation	324,108	90,342	310,131	83,658
Impairment of tangible fixed assets	276,209	-	276,209	-
Loss on disposal of tangible fixed assets - on transfer to OneSchool Global UK (see note 20)	24,146	-	24,146	-
Loss on disposal of tangible fixed assets - other	-	1,015	-	660
Bad debts	33,744	79,561	33,462	76,018
Auditor's remuneration - audit fee	21,345	16,097	14,520	9,936
Auditor's remuneration - other services	269	569	120	420

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

11 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES

		2019 £	2018 £
Wages and salaries		508,592	888,889
Social security costs		51,523	92,360
Pension costs	(see note 19)	63,384	107,482
		<u>623,499</u>	<u>1,088,731</u>

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

	2019 £	2018 £
Employee emoluments greater than £60,000	-	1
Employee emoluments less than £60,000	15	26
	<u>15</u>	<u>27</u>

The charity employed an average of 26 employees for 7 months and no employees for 5 months, giving an average of 15 staff for the full year.

All staff are employed by the parent charity.

Key management personnel remuneration

In regard to the services of Thomas Neave as head teacher of the school, management charges were paid to Thomas Neave Limited, a company controlled by Thomas Neave, totalling £69,400 (2018 - £99,600).

Trustees remuneration and expenses

The trustees were not paid nor received any other benefits from employment with the charity or its subsidiary during either the current or previous years.

During the year 1 trustee was reimbursed expenses totalling £502 (2018 - 6 trustees were reimbursed expenses totalling £2,400).

12 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED

	Notes	Unrestricted Fund (continuing) £	Unrestricted Fund (discontinuing) £	Restricted Fund (continuing) £	Restricted Fund (discontinuing) £	Total 2018 £
INCOME FROM:						
Donations and legacies	2	-	137,415	-	157,074	294,489
Charitable activities	3	-	1,288,950	-	-	1,288,950
Other trading activities	4	719,880	22,091	-	-	741,971
TOTAL INCOME		<u>719,880</u>	<u>1,448,456</u>	<u>-</u>	<u>157,074</u>	<u>2,325,410</u>
EXPENDITURE ON:						
Raising funds	6	467,881	9,695	-	-	477,576
Charitable activities	7	18,903	1,666,264	83,658	-	1,768,825
TOTAL EXPENDITURE		<u>486,784</u>	<u>1,675,959</u>	<u>83,658</u>	<u>-</u>	<u>2,246,401</u>
NET INCOME/(EXPENDITURE)		<u>233,096</u>	<u>(227,503)</u>	<u>(83,658)</u>	<u>157,074</u>	<u>79,009</u>
TOTAL FUNDS						
Brought forward		<u>217,000</u>		<u>1,750,207</u>		<u>1,967,207</u>
Carried forward	22	<u>222,593</u>		<u>1,823,623</u>		<u>2,046,216</u>

EASTBROOK EDUCATION TRUST

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - PARENT CHARITY

		Unrestricted Fund (continuing) £	Unrestricted Fund (discontinuing) £	Restricted Fund (continuing) £	Restricted Fund (discontinuing) £	Total 2018 £
INCOME FROM:						
Donations and legacies	2	-	137,415	-	157,074	294,489
Charitable activities	3	-	1,288,950	-	-	1,288,950
Other trading activities	4	-	22,091	-	-	22,091
Investment income	5	245,268	-	-	-	245,268
TOTAL INCOME		245,268	1,448,456	-	157,074	1,850,798
EXPENDITURE ON:						
Raising funds	6	-	9,695	-	-	9,695
Charitable activities	7	12,173	1,666,263	83,658	-	1,762,094
TOTAL EXPENDITURE		12,173	1,675,958	83,658	-	1,771,789
NET INCOME/(EXPENDITURE)		233,095	(227,502)	(83,658)	157,074	79,009
TOTAL FUNDS						
Brought forward		216,969		1,750,207		1,967,176
Carried forward	22	222,562		1,823,623		2,046,185

13 TANGIBLE FIXED ASSETS - GROUP

	Freehold property £	Freehold improvements £	Leasehold improvements £	Motor vehicles £	Fixtures, fittings & equipment £	Totals £
COST						
At 1 January 2019	370,000	865,418	499,073	18,746	426,693	2,179,930
Additions	-	-	-	-	57,184	57,184
Disposal on transfer to OneSchool Global UK	-	-	-	-	(51,464)	(51,464)
	(370,000)	-	-	-	-	(370,000)
Transfer to social investments in property (see note 14)						
At 31 December 2019	-	865,418	499,073	18,746	432,413	1,815,650
DEPRECIATION:						
At 1 January 2019	-	-	174,676	17,994	323,288	515,958
Charge for the year	-	216,356	47,364	152	60,236	324,108
Impairment	-	-	276,209	-	-	276,209
Disposal on transfer to OneSchool Global UK	-	-	-	-	(27,318)	(27,318)
At 31 December 2019	-	216,356	498,249	18,146	356,206	1,088,957
NET BOOK VALUE:						
At 31 December 2019	-	649,062	824	600	76,207	726,693
At 31 December 2018	370,000	865,418	324,397	752	103,405	1,663,972

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13 TANGIBLE FIXED ASSETS - PARENT CHARITY

	Freehold property £	Freehold improvements £	Leasehold improvements £	Motor vehicles £	Fixtures, fittings & equipment £	Totals £
COST						
At 1 January 2019	370,000	865,418	498,044	18,746	398,223	2,150,431
Additions	-	-	-	-	29,369	29,369
Disposal on transfer to OneSchool Global UK	-	-	-	-	(51,464)	(51,464)
	(370,000)	-	-	-	-	(370,000)
Transfer to social investments in property (see note 14)						
At 31 December 2019	-	865,418	498,044	18,746	376,128	1,758,336
DEPRECIATION:						
At 1 January 2019	-	-	174,676	17,994	309,269	501,939
Charge for the year	-	216,356	47,159	152	46,464	310,131
Impairment	-	-	276,209	-	-	276,209
Disposal on transfer to OneSchool Global UK	-	-	-	-	(27,318)	(27,318)
At 31 December 2019	-	216,356	498,044	18,146	328,415	1,060,961
NET BOOK VALUE:						
At 31 December 2019	-	649,062	-	600	47,713	697,375
At 31 December 2018	370,000	865,418	323,368	752	88,954	1,648,492

Disposal of computers on transfer to OneSchool Global UK

As part of the transfer agreement, all computer equipment included within tangible fixed assets of the school were transferred to OneSchool Global UK on 31 July 2019 for no consideration (see note 20).

Impairment of leasehold improvements

Although the operating lease for the property that relates to the leasehold improvements was at the balance sheet date still in the name of Eastbrook Education Trust, it is the intention to transfer the operating lease to OneSchool Global UK as soon as possible and OneSchool Global UK is committed to compensate Eastbrook Education Trust for future rental costs under this agreement. Because of this, the leasehold improvements have been fully impaired within the current year.

14 SOCIAL INVESTMENT IN PROPERTY

	Freehold property £
COST	
At 1st January 2019	-
Transfers from tangible fixed assets (see note 13)	370,000
At 31st December 2019	370,000
NET BOOK VALUE	
At 31 December 2019	370,000
At 31 December 2018	-

Following the transfer of the trade of the school to OneSchool Global UK, the freehold property held by the charity is now held for the purpose of renting it to OneSchool Global UK for a peppercorn rent.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15 FIXED ASSET INVESTMENTS - PARENT CHARITY

	Shares in subsidiary £
COST	
At 1st January 2019 and 31st December 2019	<u>2</u>
NET BOOK VALUE	
At 31 December 2019	<u>2</u>
At 31 December 2018	<u>2</u>

Spectrum Products (UK) Limited

Spectrum Products (UK) Limited operates a small chain of convenience stores.

All of the issued share capital of Spectrum Products (UK) Limited, a company registered in England and Wales (company number 06333795), is held by holding trustees of Eastbrook Education Trust.

At the year end Spectrum Products (UK) Limited had assets and liabilities as follows:

	2019 £	2018 £
Tangible fixed assets	29,318	15,480
Stocks	119,760	128,998
Debtors	56,079	37,365
Cash at bank	24,407	11,736
Creditors	(229,531)	(193,546)
	<u>33</u>	<u>33</u>
Issued share capital	2	2
Retained earnings	31	31
	<u>33</u>	<u>33</u>

Spectrum Products (UK) Limited had trading results for the year as follows:

	2019 £	2018 £
Turnover	753,065	583,621
Cost of sales	(584,059)	(421,418)
Administrative expenses	(110,531)	(53,195)
Other operating income	166,352	136,260
Net profit	224,827	245,268
Gift aid distribution to the parent charity	(224,827)	(245,268)
Retained earnings	-	-

16 STOCKS

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Convenience store goods held for resale	119,760	128,998	-	-
	<u>119,760</u>	<u>128,998</u>	<u>-</u>	<u>-</u>

17 DEBTORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Trade debtors	31,321	125,752	100	106,730
Amounts owed by subsidiary	-	-	131,522	104,962
Other debtors	-	2,055	-	-
Prepayments	29,538	31,222	4,680	14,935
	<u>60,859</u>	<u>159,029</u>	<u>136,302</u>	<u>226,627</u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Trade creditors	107,827	53,461	36,602	17,626
Social security and other taxation	9,270	36,153	-	22,695
Pension creditors	-	11,964	-	11,964
Other creditors	8,600	20,050	-	50
Accruals	31,411	67,514	22,497	48,224
Deferred income	-	64,583	-	64,583
	<u>157,108</u>	<u>253,725</u>	<u>59,099</u>	<u>165,142</u>

Deferred income

Deferred income as at 31 December 2018 relates to school admission fees and career advantage programme income fully released to income within the current year.

19 PENSION COMMITMENTS

The Trust's employees pay into two principal pension schemes. Teachers pay into the Teachers' Pension Scheme England and Wales ('TPS') which is a multi-employee defined benefit scheme. Non-teachers pay into a defined contribution scheme. Employer pension contributions in the year were as follows:

	2019 £	2018 £
Teachers' Pension Scheme	58,090	100,769
Defined contribution schemes	5,294	6,713
	<u>63,384</u>	<u>107,482</u>

At the year end there was outstanding pension creditors of £nil (2018 - £11,964).

Teachers' Pension Scheme

The Teachers' Pension Scheme ('TPS') is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (from 1 September 2019);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. The next valuation result is due to be implemented from 1 April 2023.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20 PROVISIONS

Amounts payable to OneSchool Global UK under the transfer agreement

During the year the trustees of Eastbrook Education Trust agreed to transfer the operations of the school operated as the Gloucester Campus of the OneSchool Global chain of schools to the newly established UK charity OneSchool Global UK, as part of a wider programme to bring the operations of all UK schools operating under the OneSchool Global brand into a single charity. Although in practice the operations of the school were transferred on 31 July 2019, the formal agreement between Eastbrook Education Trust and OneSchool Global UK managing the transfer was signed on 13 January 2020 and then with the agreement of both parties amended to retroactively have come into effect from 31 July 2019.

Under the transfer agreement, during a transition period during which OneSchool Global UK arranges with suppliers for the transfer of operating lease, utilities and other service contracts to be transferred over to them, the trade debts and operating cash relating to the school are to be held and managed by Eastbrook Education Trust as agent of OneSchool Global UK, with full ownership passing to OneSchool Global UK at a future date. However the transfer agreement does give OneSchool Global UK the authority to request payments on account to be made to them out of the operating cash prior to the end of the transition period.

Under this agreement, until the end of the transition period, any future expenditure incurred by Eastbrook Education Trust in regard to the activities of the school are still the liabilities of Eastbrook Education Trust. However OneSchool Global UK has provided a guarantee that if Eastbrook Education Trust has such expenses that exceed their operating cash, then OneSchool Global UK will pay Eastbrook Education Trust the difference. This in effect creates a contingent asset to Eastbrook Education Trust equal to the value of all future qualifying expenditure, which although this cannot be measured reliably at the balance sheet date, will result that any future qualifying expenditure will have no net impact on the net funds of Eastbrook Education Trust, as OneSchool Global UK will compensate Eastbrook Education Trust either directly or indirectly by way of a reduction in the value of operating cash to be paid to OneSchool Global UK at the end of the transition period.

Also under the transfer agreement, Eastbrook Education Trust is to pay all future donations received over to OneSchool Global UK.

Also under the transfer agreement, other than computer equipment which is transferred to OneSchool Global UK on 31 July 2019 for no consideration, ownership of the tangible fixed assets is to be retained by Eastbrook Education Trust, was are to be leased to OneSchool Global UK for a peppercorn rent under a separate lease agreement. Under this lease agreement, which covers the period from 1 January 2020 to 31 December 2027, a service charge will be payable by OneSchool Global UK to Eastbrook Education Trust of £5,000 per year, subject to a review on 1 January 2025.

In addition to Eastbrook Education Trust's obligations to manage trade debtors as at 31 July 2019 on behalf of OneSchool Global UK and to pay over any amounts collected during the transition period in regard to these trade debtors, Eastbrook Education Trust has raised invoice for school fees in regard to periods after 31 July 2019 as agent of OneSchool Global UK (under an informal arrangement not considered covered by the transfer agreement). These transitions have been accounted for under agency accounting policies.

At the balance sheet date, under the terms of the transfer agreement, Eastbrook Education Trust is considered to have an obligation to pay to OneSchool Global UK an amount equal to its cash holdings, excluding cash held in a separate designated bank account for to purpose of managing the tangible fixed assets held by Eastbrook Education Trust, adjusted for the debtors and creditors of Eastbrook Education Trust at the balance sheet date that are expected to be received into or paid out of bank accounts (other than the property management designated bank account) prior to the final payment to OneSchool Global UK in regard to Eastbrook Education Trust's obligations under the transfer agreement. A provision for this amount has been recognised.

Amounts collected by Eastbrook Education Trust as agent of OneSchool Global UK in regard to invoiced school fees for periods after 31 July 2019 have been netted off against this provision (rather than shown as a separate creditor), as there is both the right and expectation that Eastbrook Education Trust will settle both commitments by way of combined payments to OneSchool Global UK.

EASTBROOK EDUCATION TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****20 PROVISIONS (continued)**

The total charge to the Statement Of Financial Activities in regard to the transfer agreement is as follows:

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Amount recognised in the Statement Of Financial Activities in regard to the provision for future amounts payable to OneSchool Global UK	254,596	-	254,596	-
Loss on disposal of tangible fixed assets relating to computer equipment given to OneSchool Global UK on 31 July 2019 for no consideration	24,146	-	24,146	-
Impairment of tangible fixed assets relating to leasehold improvements where the benefits of the relating operating lease were effectively passed to OneSchool Global UK on 31 July 2019	276,209	-	276,209	-
	554,951	-	554,951	-

The movement in the year of the provision for future amounts payable to OneSchool Global UK is as follows:

	Group and Parent 2019 £
Opening balance as at 1 January 2019	-
Amount recognised in the Statement Of Financial Activities in regard to the provision for future amounts payable to OneSchool Global UK	254,596
Less book value of trade debtors (net of bad debt provisions) as at 31 July 2019 reassigned (in effect) to OneSchool Global UK under agency accounting	(63,484)
Plus bank receipts that relate to trade debtors received after 31 July 2019 (including amounts relating to sales invoices raised after 31 July 2019)	188,358
Less payments on account made to OneSchool Global UK prior to 31 December 2019	(140,318)
Closing balance as at 31 December 2019	239,152

21 LEASING ARRANGEMENTS

Minimum lease payments under non-cancellable operating lease fall due as follows:

	Group 2019 £	Group 2018 £	Parent 2019 £	Parent 2018 £
Within one year	75,000	40,000	45,000	40,000
Between one and five years	67,500	45,000	-	45,000
	142,500	85,000	45,000	85,000

OneSchool Global UK has provided a commitment as part of the transfer agreement to compensate the charity for any future rental charges payable by the parent charity (but not the subsidiary).

On 13 January 2020 the parent charity entered into a lease agreement in effect from 1 January 2020 to 31 December 2027, whereby the tangible fixed assets held by the parent charity are rented to OneSchool Global UK for a peppercorn rent, although a service charge of £5,000 per year, subject to a review on 1 January 2025, will be received by the parent charity from OneSchool Global UK.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

22 MOVEMENT IN FUNDS - GROUP

	As at 1 January 2019 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2019 £
Unrestricted funds					
General fund	222,593	1,775,125	(1,978,919)	(18,766)	33
Capital fund	-	32,407	-	-	32,407
	<u>222,593</u>	<u>1,807,532</u>	<u>(1,978,919)</u>	<u>(18,766)</u>	<u>32,440</u>
Restricted funds					
Capital fund	1,823,623	14,500	(613,862)	20,157	1,244,418
PE equipment fund	-	3,397	(2,006)	(1,391)	-
	<u>1,823,623</u>	<u>17,897</u>	<u>(615,868)</u>	<u>18,766</u>	<u>1,244,418</u>
	<u>2,046,216</u>	<u>1,825,429</u>	<u>(2,594,787)</u>	<u>-</u>	<u>1,276,858</u>

Movement in funds for the comparative year was as follows:

	As at 1 January 2018 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2018 £
Unrestricted funds					
General fund	217,000	2,168,336	(2,162,743)	-	222,593
Restricted funds					
Capital fund	1,750,207	157,074	(83,658)	-	1,823,623
	<u>1,967,207</u>	<u>2,325,410</u>	<u>(2,246,401)</u>	<u>-</u>	<u>2,046,216</u>

MOVEMENT IN FUNDS - PARENT CHARITY

	As at 1 January 2019 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2019 £
Unrestricted funds					
General fund	222,562	1,080,537	(1,284,331)	(18,766)	2
Capital fund	-	32,407	-	-	32,407
	<u>222,562</u>	<u>1,112,944</u>	<u>(1,284,331)</u>	<u>(18,766)</u>	<u>32,409</u>
Restricted funds					
Capital fund	1,823,623	14,500	(613,862)	20,157	1,244,418
PE equipment fund	-	3,397	(2,006)	(1,391)	-
	<u>1,823,623</u>	<u>17,897</u>	<u>(615,868)</u>	<u>18,766</u>	<u>1,244,418</u>
	<u>2,046,185</u>	<u>1,130,841</u>	<u>(1,900,199)</u>	<u>-</u>	<u>1,276,827</u>

EASTBROOK EDUCATION TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****22 MOVEMENT IN FUNDS (continued)**

Movement in funds for the comparative year was as follows:

	As at 1 January 2018 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2018 £
Unrestricted funds					
General fund	<u>216,969</u>	<u>1,693,724</u>	<u>(1,688,131)</u>	<u>-</u>	<u>222,562</u>
Restricted funds					
Capital fund	<u>1,750,207</u>	<u>157,074</u>	<u>(83,658)</u>	<u>-</u>	<u>1,823,623</u>
	<u>1,967,176</u>	<u>1,850,798</u>	<u>(1,771,789)</u>	<u>-</u>	<u>2,046,185</u>

TRANSFER BETWEEN FUNDS

During the year tangible fixed asset additions were paid for using £18,766 from unrestricted funds and £1,391 out of restricted funds. A transfer from these funds to the capital fund has been made as a result.

RESTRICTED FUNDS**Capital Fund - restricted**

This fund exists for the purchase and maintenance of the charity's assets with the main source of income being donations restricted for capital use by the donor. A separate bank account is kept to manage the fund and all assets of the charity are included as proceeds which, if sold, will contribute towards the purchase of a new asset.

PE equipment fund

This fund relates to donations received specifically to fund the purchase of PE equipment. During the year £1,391 was used from this fund to assist with the purchase of gymnasium improvements which have been capitalised as fixtures, fittings and equipment.

DESIGNATED FUNDS**Capital Fund - designated**

The charity has allocated otherwise unrestricted donations and legacies received in the year for the purpose of the purchase and maintenance of the charity's assets. These donations and legacies have been paid into the same bank account that is otherwise kept to manage the restricted capital fund separate from the other bank accounts operated by the charity. Due to the nature of purchase and maintenance of the charity's assets, the exact timing of when these designated funds are likely to be expensed is not yet known.

NET ASSETS HELD BY EACH FUND - GROUP

	2019 Unrestricted funds	2019 Restricted funds	2019 Total funds	2018 Unrestricted funds	2018 Restricted funds	2018 Total funds
Tangible fixed assets	29,318	697,375	726,693	15,480	1,648,492	1,663,972
Social investment in property	-	370,000	370,000	-	-	-
Stocks	119,760	-	119,760	128,998	-	128,998
Debtors	60,859	-	60,859	159,029	-	159,029
Cash	218,763	177,043	395,806	172,811	175,131	347,942
Creditors	(157,108)	-	(157,108)	(253,725)	-	(253,725)
Provisions	(239,152)	-	(239,152)	-	-	-
	<u>32,440</u>	<u>1,244,418</u>	<u>1,276,858</u>	<u>222,593</u>	<u>1,823,623</u>	<u>2,046,216</u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

22 MOVEMENT IN FUNDS (continued)

NET ASSETS HELD BY EACH FUND - PARENT CHARITY

	2019 Unrestricted funds	2019 Restricted funds	2019 Total funds	2018 Unrestricted funds	2018 Restricted funds	2018 Total funds
Tangible fixed assets	-	697,375	697,375	-	1,648,492	1,648,492
Social investment in property	-	370,000	370,000	-	-	-
Fixed asset investments	2	-	2	2	-	2
Debtors	136,302	-	136,302	226,627	-	226,627
Cash	194,356	177,043	371,399	161,075	175,131	336,206
Creditors	(59,099)	-	(59,099)	(165,142)	-	(165,142)
Provisions	(239,152)	-	(239,152)	-	-	-
	32,409	1,244,418	1,276,827	222,562	1,823,623	2,046,185

23 RELATED PARTY TRANSACTIONS

Transactions with trustees

During the year the charity received school fee income from trustees with pupils at the school totalling £22,281 (2018 - £31,973). At the year end the charity had debtors of £nil (2018 - £2,334) and deferred income of £nil (2018 - £361) relating to school fees due from trustees. These amounts excludes amounts collected as agent on behalf of OneSchool Global UK.

During the year the charity received convenience store income from trustees totalling £2,191 (2018 - £3,036). At the year end the charity had convenience store trade debtors due from trustees totalling £460 (2018 - £55).

During the year the trustee reimbursed expenses to trustees totalling £502 (2018 - £2,400). At the year end the charity had creditors due to trustees of £30 (2018 - £nil) in regard to trustee expenses.

Companies in which at least one of the trustees have an interest in

During the year the charity received from companies with at least one of the trustees is a director and shareholder of total capital restricted fund donations of £2,000 (2018 - £72,000) and career average programme income totalling £1,333 (2018 - £667). At the year end the charity had deferred income relating to career average programme income of £nil (2018 - £1,333).

During the year the charity paid costs to companies with at least one of the trustees is a director and shareholder of totalling £2,819 (2018 - £8,019). At the year end the charity owed these companies a total of £450 (2018 - £268). These costs were in regard to capitalised furniture, other repair costs, vehicle maintenance and recharged staff entertainment costs.

During the year the charity received convenience store income from such companies totalling £11,198 (2018 - £6,162). At the year end the charity had convenience store trade debtors due from trustees totalling £6,382 (2018 - £958).

Focus Learning Trust

Focus Learning Trust (a registered charity) oversees the network of independent schools in the United Kingdom that are affiliated to the Plymouth Brethren Christian Church, including the school operated by the charity. Focus Learning Trust is also the primary funder of the charity. During the year the charity received grant income from Focus Learning Trust totalling £391,005 (2018 - £950,716). The charity also received trading income of £303 (2018 - £1,031) from Focus Learning Trust.

During the year the charity reimbursed Focus Learning Trust expenses incurred totalling £14,569 (2018 - £29,608). At the year end the charity had creditors relating to these recharged expenses totalling £nil (2018 - £3,148).

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019**

23 RELATED PARTY TRANSACTIONS (continued)

OneSchool Global UK

During the year Focus Learning Trust transferred its operations to OneSchool Global UK (a registered charity). During the year the charity received grant income from OneSchool Global UK totalling £108,102 (2018 - £nil).

During the year the charity incurred expenses that were recharged to OneSchool Global UK at cost totalling £1,162 (2018 - £nil). At the year end the charity had creditors relating to these recharged expenses totalling £74 (2018 - £nil).

During the year Eastbrook Education Trust entered into an agreement with OneSchool Global UK to transfer the trade of the school operated by Eastbrook Education Trust to OneSchool Global UK. Further details can be found in note 20.

24 AMENDMENTS TO THE COMPARATIVES

In the financial statements of previous years, the allocation of qualifying expenditure to the restricted fund relating to SEN grant income received from the local council was understated, with the difference in qualifying expenditure instead being allocated to unrestricted funds. The comparatives have been adjusted in regard to the split of reserves between unrestricted and restricted funds amounting to £22,076 as a result.

In the financial statements of previous years, donated rental services were not provided for on the basis that a reliable measurement of the fair value of the rent could not be provided. However, this year a reliable measurement for the fair value for the rent was obtained (after a similar neighbouring property was put up for rent). The comparatives have been amended to increase both income and expenditure by £60,000 in regard to these donated rental services.

25 FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR AUDIT OF SMALL ENTITIES

In common with many other entities of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.