

REGISTERED CHARITY NUMBER: 1057370

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

FOR

EASTBROOK EDUCATION TRUST

EASTBROOK EDUCATION TRUST

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Reference and Administrative Information	2
Report of the Trustees	3 to 5
Report of the Independent Auditors	6 to 8
Statement of Financial Activities - Consolidated	9
Statement of Financial Activities - Parent Charity	10
Balance Sheet - Consolidated and Parent Charity	11
Cash Flow Statement - Consolidated	12
Notes to the Financial Statements - Consolidated and Parent Charity	13 to 30

EASTBROOK EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Auditors

Richards Sandy Audit Services Limited
Thorneloe House
25 Barbourne Road
Worcester
Worcestershire
WR1 1RU

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees present their report with the financial statements of the charity for the year ended 31st December 2020. 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 holds property which it rents to OneSchool Global UK for use as a school.

Volunteer Contribution

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.

FINANCIAL REVIEW

Principal funding sources

The charity's primary source of income is from the trading activities of its subsidiary Spectrum Products (UK) Limited, who made gift aid distributions to the charity in the year of £293,212 (2019 - £224,827), which represents the net profit made by Spectrum Products (UK) Limited for the year. The majority of the customer base of Spectrum Products (UK) Limited are local members of the Plymouth Brethren Christian Church.

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 £886,550 (2019 - £1,067,375), investment in subsidiaries of £2 (2019 - £2), net current assets of £460,083 (2019 - £448,602) and total funds of £1,097,639 (2019 - £1,276,827).

The trading subsidiary had at the year end total net assets of £33 (2019 - £33) following gift aid distributions to the charity in the year of £293,212 (2019 - £224,827).

Principal Risks

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 risk of closure or relocation of the school by OneSchool Global UK (which is considered unlikely to occur); and
- the risk of 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 £34,044 (2019 - £32,407), unrestricted funds of £33 (2019 - £33), of which £2 (2019 - £2) 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 £1,063,593 (2019 - £1,244,418). 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 £886,550 (2019 - £1,067,375), with the remaining £177,043 (2019 - £177,043) 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).

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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

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

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

Following last year's transfer of the activities of the school to OneSchool Global UK, the charity no longer carries out any fundraising activities (as defined by section 162A of Charities Act 2011).

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

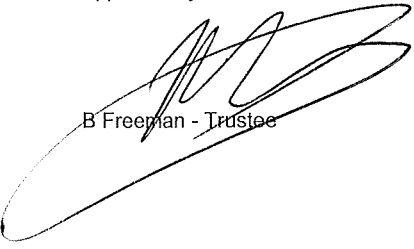
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

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 27.10.2021 and signed on its behalf by:


B Freeman - Trustee

EASTBROOK EDUCATION TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EASTBROOK EDUCATION TRUST FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, 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 attention to note 1 in the financial statements, which states that the charity no longer directly operates a school and instead rents the property it holds and provides financial support to OneSchool Global UK who has taken over the running of the school. Our opinion is not modified in respect of this matter.

Otherwise, based on the work we have performed, we have not identified any other material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 (Accounts and Reports) Regulations 2008 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 2020

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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we have:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group operates in and how the group is complying with the legal and regulatory framework; and
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are 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 (and related legislation).

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing the financial statement disclosures.

Significant laws and regulations effecting the group that may have an indirect impact on the financial statements are the Food Standards Act 1999 (and related legislation), the Licensing 2003 Act (and related legislation) and the Data Protection Act 2018 (and related legislation). We have confirmed that the group has registered with the Food Standards Agency for all store that it operates, holds premises licences for all locations where it sells alcohol and is registered with the Information Commissioner's Office.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

EASTBROOK EDUCATION TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EASTBROOK EDUCATION TRUST
FOR THE YEAR ENDED 31 DECEMBER 2020

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Audit Services 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: 27/10/2021

EASTBROOK EDUCATION TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES **FOR THE YEAR ENDED 31 DECEMBER 2020**

						Year Ended 31 December 2020	Year Ended 31 December 2019
		Unrestricted Fund (continuing)	Unrestricted Fund (discontinuing)	Restricted Fund (continuing)	Restricted Fund (discontinuing)	Total Funds	Total Funds
	Note	£	£	£	£	£	£
INCOME FROM:							
Donations and legacies	2	-	30,111	-	-	30,111	119,286
Charitable activities	3	5,000	-	-	-	5,000	790,890
Other trading activities	4	1,416,782	-	-	-	1,416,782	915,253
TOTAL INCOME		1,421,782	30,111	-	-	1,451,893	1,825,429
EXPENDITURE ON:							
Raising funds	6	1,141,715	-	-	-	1,141,715	692,027
Charitable activities	7	12,280	69,850	180,825	-	262,955	1,347,809
Transfer of school's operations to OneSchool Global UK	20	267,787	(41,376)	-	-	226,411	554,951
TOTAL EXPENDITURE		1,421,782	28,474	180,825	-	1,631,081	2,594,787
NET INCOME/(EXPENDITURE)		-	1,637	(180,825)	-	(179,188)	(769,358)
TRANSFERS BETWEEN FUNDS		-		-		-	-
NET MOVEMENT IN FUNDS		1,637		(180,825)		(179,188)	(769,358)
TOTAL FUNDS							
Brought forward		32,440		1,244,418		1,276,858	2,046,216
Carried forward	22	34,077		1,063,593		1,097,670	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.

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 2020**

						Year Ended 31 December 2020	Year Ended 31 December 2019
		Unrestricted Fund (continuing)	Unrestricted Fund (discontinuing)	Restricted Fund (continuing)	Restricted Fund (discontinuing)	Total Funds	Total Funds
	Note	£	£	£	£	£	£
INCOME FROM:							
Donations and legacies	2	-	4,486	-	-	4,486	106,260
Charitable activities	3	5,000	-	-	-	5,000	790,890
Other trading activities	4	-	-	-	-	-	8,864
Investment income	5	293,212	-	-	-	293,212	224,827
TOTAL INCOME		298,212	4,486	-	-	302,698	1,130,841
EXPENDITURE ON:							
Raising funds	6	-	-	-	-	-	5,411
Charitable activities	7	4,800	69,850	180,825	-	255,475	1,339,837
Transfer of school's operations to OneSchool Global UK	20	-	226,411	-	-	226,411	554,951
TOTAL EXPENDITURE		4,800	296,261	180,825	-	481,886	1,900,199
NET INCOME/(EXPENDITURE)		293,412	(291,775)	(180,825)	-	(179,188)	(769,358)
TRANSFERS BETWEEN FUNDS		-		-		-	-
NET MOVEMENT IN FUNDS		1,637		(180,825)		(179,188)	(769,358)
TOTAL FUNDS							
Brought forward		32,409		1,244,418		1,276,827	2,046,185
Carried forward	22	34,046		1,063,593		1,097,639	1,276,827

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 2020**

	Note	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
FIXED ASSETS					
Tangible fixed assets	13	539,279	726,693	516,550	697,375
Social investment in property	14	370,000	370,000	370,000	370,000
Investments	15	-	-	2	2
		<u>909,279</u>	<u>1,096,693</u>	<u>886,552</u>	<u>1,067,377</u>
CURRENT ASSETS					
Stocks	16	191,726	119,760	-	-
Debtors	17	55,878	60,859	202,071	136,302
Cash at bank and in hand		<u>333,087</u>	<u>395,806</u>	<u>273,612</u>	<u>371,399</u>
		<u>580,691</u>	<u>576,425</u>	<u>475,683</u>	<u>507,701</u>
LIABILITIES					
Amounts falling due within one year	18	(143,304)	(157,108)	(15,600)	(59,099)
NET CURRENT ASSETS		<u>437,387</u>	<u>419,317</u>	<u>460,083</u>	<u>448,602</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,346,666</u>	<u>1,516,010</u>	<u>1,346,635</u>	<u>1,515,979</u>
PROVISIONS FOR LIABILITIES	20	(248,996)	(239,152)	(248,996)	(239,152)
NET ASSETS		<u>1,097,670</u>	<u>1,276,858</u>	<u>1,097,639</u>	<u>1,276,827</u>
FUNDS					
Unrestricted Funds	22	33	33	2	2
Designated Funds		34,044	32,407	34,044	32,407
Restricted Funds		<u>1,063,593</u>	<u>1,244,418</u>	<u>1,063,593</u>	<u>1,244,418</u>
		<u>1,097,670</u>	<u>1,276,858</u>	<u>1,097,639</u>	<u>1,276,827</u>

The financial statements were approved by the Board of Trustees on 27.10.2021 and were signed by on its behalf by:

B Freeman - Trustee

EASTBROOK EDUCATION TRUST**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes to the consolidated cash flow statement	Group 2020 £	Group 2019 £
Cash flows from operating activities:			
Cash generated from operations	1	162,237	57,008
Cash collected as agent of OneSchool Global UK (see note 20)		276,433	188,358
Amounts paid to OneSchool Global UK in regard to amounts owing under the transfer agreement (see note 20)		(493,000)	(140,318)
Net cash provided by operating activities		(54,330)	105,048
Cash flows from investing activities:			
Purchase of tangible fixed assets		(8,389)	(57,184)
Net cash used in investing activities		(8,389)	(57,184)
Change in cash and cash equivalents in the year		(62,719)	47,864
Cash and cash equivalents at the beginning of the year		395,806	347,942
Cash and cash equivalents at the end of the year	2	333,087	395,806

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Group 2020 £	Group 2019 £
Net expenditure for the year <i>(as per the statement of financial activities)</i>	(179,188)	(769,358)
Adjustments for:		
Depreciation charges	195,803	324,108
Charge for the transfer of school activities to OneSchool Global UK (see note 20)	226,411	554,951
(Increase)/decrease in stocks	(71,966)	9,238
(Increase)/decrease in debtors	4,981	34,686
Increase/(decrease) in creditors	(13,804)	(96,617)
Net cash provided by operating activities	162,237	57,008

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	395,806	(62,719)	333,087
	395,806	(62,719)	333,087

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

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 entity financial statements adopting accounting policies not considered different from those of these consolidated financial statements and prepared to a year end of 31 December 2020. 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 charity 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 2020**

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.

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.

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.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

1 ACCOUNTING POLICIES (Continued)

Fund accounting

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

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

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.

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.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

1 ACCOUNTING POLICIES (Continued)

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 2020****2 DONATIONS AND LEGACIES**

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Discontinuing				
Donations	30,111	81,879	4,486	68,853
Donated rental services	-	35,000	-	35,000
Legacies	-	2,407	-	2,407
	30,111	119,286	4,486	106,260

Donated services

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).

The subsidiary Spectrum Products (UK) Limited has been provided free use of building space used by some of its stores, as well as from November 2020 a delivery van. However, no reliable estimate of the market value can be made of the value of the waived lease costs, and as such no provision for income and relating rental costs have been made.

Spectrum Products (UK) Limited also benefits from the volunteers who run the convenience stores.

3 INCOME FROM CHARITABLE ACTIVITIES

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Continuing				
Building service charge income	5,000	-	5,000	-
Discontinuing				
Grant income:				
- Focus Learning Trust	-	391,005	-	391,005
- OneSchool Global UK	-	108,102	-	108,102
School admission fees	-	263,116	-	263,116
Career advantage programme	-	28,667	-	28,667
	5,000	790,890	5,000	790,890

4 INCOME FROM OTHER TRADING ACTIVITIES

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Continuing				
Convenience store sales	1,297,156	753,063	-	-
Commission income	79,026	125,576	-	-
Rental income	40,600	27,750	-	-
Discontinuing				
School uniform sales	-	2,099	-	2,099
Commission income	-	1,773	-	1,773
Fundraising events	-	4,667	-	4,667
Other trading income	-	325	-	325
	1,416,782	915,253	-	8,864

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

5 INVESTMENT INCOME

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Gift aid distributions received from subsidiary	-	-	293,212	224,827
	-	-	293,212	224,827

6 RAISING FUNDS EXPENDITURE

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Continuing				
Convenience store stock purchases	1,031,273	560,154	-	-
Convenience store subcontractors	2,235	23,905	-	-
Rent	36,673	28,452	-	-
Rates and utilities	7,762	21,521	-	-
Equipment hire	2,998	-	-	-
Insurance	1,860	913	-	-
Telephone	4,502	4,035	-	-
Property maintenance	14,406	7,970	-	-
Bad debts	(176)	282	-	-
Bank and card charges	11,115	12,875	-	-
Depreciation	14,978	13,977	-	-
Sundry	14,089	12,532	-	-
Discontinuing				
School uniform purchases	-	5,411	-	5,411
	1,141,715	692,027	-	5,411

7 CHARITABLE ACTIVITIES COSTS

		Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
School tuition					
Direct costs	(see note 8)	63,700	799,624	63,700	799,624
Support costs	(see note 9)	199,255	548,185	191,775	540,213
		262,955	1,347,809	255,475	1,339,837

8 DIRECT COSTS

		Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Discontinuing					
Staff wages	(see note 11)	-	530,256	-	530,256
Agency staff		-	92,610	-	92,610
Books and stationery		1,058	16,140	1,058	16,140
Exam fees		-	19,584	-	19,584
Rent		48,233	78,195	48,233	78,195
Building insurance		9,245	-	9,245	-
Vehicle leasing costs		3,266	3,266	3,266	3,266
Transport costs		564	33,849	564	33,849
Telephone		-	2,441	-	2,441
Sundry		1,334	23,283	1,334	23,283
		63,700	799,624	63,700	799,624

EASTBROOK EDUCATION TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9 SUPPORT COSTS**

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
School tuition				
Continuing				
Accountancy fees	12,280	24,218	4,800	16,246
Depreciation	180,825	310,131	180,825	310,131
Discontinuing				
Rates and utilities	4,275	49,020	4,275	49,020
Property maintenance	1,875	43,111	1,875	43,111
Staff wages	-	93,243	-	93,243
Legal and professional fees	-	(5,000)	-	(5,000)
Bad debts	-	33,462	-	33,462
	199,255	548,185	191,775	540,213

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 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Operating lease income	(40,600)	(27,750)	-	-
Operating lease expenditure	91,170	109,913	51,499	81,461
Depreciation	195,803	324,108	180,825	310,131
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
Provision movement for future amounts payable to OneSchool Global UK (see note 20)	226,411	254,596	226,411	254,596
Bad debts	(176)	33,744	-	33,462
Auditor's remuneration - audit fee	12,250	21,345	4,800	14,520
Auditor's remuneration - other services	30	269	-	120

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

11 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES

		2020	2019
		£	£
Wages and salaries		-	508,592
Social security costs		-	51,523
Pension costs	(see note 19)	-	63,384
		<u>-</u>	<u>623,499</u>

No employees had emoluments over £60,000 p.a. in either the current or comparative years.

All staff were employed by the parent charity.

Key management personnel remuneration

There were no key management during the current year (2019 - £69,400 paid to a company controlled by the former head teacher in regard to his services as key management personnel for the period up to the transfer of the school's activities to OneSchool Global UK).

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 £745 (2019 - 1 trustee was reimbursed expenses totalling £502).

12 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED

	Notes	Unrestricted Fund (continuing) £	Unrestricted Fund (discontinuing) £	Restricted Fund (continuing) £	Restricted Fund (discontinuing) £	Total 2019 £
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		<u>906,389</u>	<u>901,143</u>	<u>-</u>	<u>17,897</u>	<u>1,825,429</u>
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 operations	20	-	254,596	-	300,355	554,951
TOTAL EXPENDITURE		<u>710,834</u>	<u>1,268,085</u>	<u>310,131</u>	<u>305,737</u>	<u>2,594,787</u>
NET INCOME/(EXPENDITURE)		<u>195,555</u>	<u>(366,942)</u>	<u>(310,131)</u>	<u>(287,840)</u>	<u>(769,358)</u>
TRANSFERS BETWEEN FUNDS		<u>(18,766)</u>		<u>18,766</u>		<u>-</u>
NET MOVEMENT IN FUNDS		<u>(190,153)</u>		<u>(579,205)</u>		<u>(769,358)</u>
TOTAL FUNDS						
Brought forward		<u>222,593</u>		<u>1,823,623</u>		<u>2,046,216</u>
Carried forward	22	<u>32,440</u>		<u>1,244,418</u>		<u>1,276,858</u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - PARENT CHARITY

		Unrestricted Fund (continuing) £	Unrestricted Fund (discontinuing) £	Restricted Fund (continuing) £	Restricted Fund (discontinuing) £	Total 2019 £
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 operations	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		(18,766)		18,766		-
NET MOVEMENT IN FUNDS		(190,153)		(579,205)		(769,358)
TOTAL FUNDS						
Brought forward		222,562		1,823,623		2,046,185
Carried forward	22	32,409		1,244,418		1,276,827

13 TANGIBLE FIXED ASSETS - GROUP

	Freehold improvements £	Leasehold improvements £	Motor vehicles £	Fixtures, fittings & equipment £	Totals £
COST					
At 1 January 2020	865,418	499,073	18,746	432,413	1,815,650
Additions	-	820	-	7,569	8,389
At 31 December 2020	865,418	499,893	18,746	439,982	1,824,039
DEPRECIATION:					
At 1 January 2020	(216,356)	(498,249)	(18,146)	(356,206)	(1,088,957)
Charge for the year	(162,273)	(988)	(120)	(32,422)	(195,803)
At 31 December 2020	(378,629)	(499,237)	(18,266)	(388,628)	(1,284,760)
NET BOOK VALUE:					
At 31 December 2020	486,789	656	480	51,354	539,279
At 31 December 2019	649,062	824	600	76,207	726,693

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13 TANGIBLE FIXED ASSETS - PARENT CHARITY

	Freehold improvements £	Leasehold improvements £	Motor vehicles £	Fixtures, fittings & equipment £	Totals £
COST					
At 1 January 2020	865,418	498,044	18,746	376,128	1,758,336
Additions	-	-	-	-	-
At 31 December 2020	<u>865,418</u>	<u>498,044</u>	<u>18,746</u>	<u>376,128</u>	<u>1,758,336</u>
DEPRECIATION:					
At 1 January 2020	(216,356)	(498,044)	(18,146)	(328,415)	(1,060,961)
Charge for the year	(162,273)	-	(120)	(18,432)	(180,825)
At 31 December 2020	<u>(378,629)</u>	<u>(498,044)</u>	<u>(18,266)</u>	<u>(346,847)</u>	<u>(1,241,786)</u>
NET BOOK VALUE:					
At 31 December 2020	<u>486,789</u>	<u>-</u>	<u>480</u>	<u>29,281</u>	<u>516,550</u>
At 31 December 2019	<u>649,062</u>	<u>-</u>	<u>600</u>	<u>47,713</u>	<u>697,375</u>

14 SOCIAL INVESTMENT IN PROPERTY

	Freehold property £
COST	
At 1st January 2020 and 31st December 2020	<u>370,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>370,000</u>
At 31 December 2019	<u>370,000</u>

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 2020****15 FIXED ASSET INVESTMENTS - PARENT CHARITY**

	Shares in subsidiary £
COST	
At 1st January 2020 and 31st December 2020	<u><u>2</u></u>
NET BOOK VALUE	
At 31 December 2020	<u><u>2</u></u>
At 31 December 2019	<u><u>2</u></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 (company number 06333795) is held by holding trustees of Eastbrook Education Trust.

The registered office of Spectrum Products (UK) Limited is 7 Eastbrook Road, Gloucester, Gloucestershire, GL4 3DB.

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

	2020 £	2019 £
Tangible fixed assets	22,728	29,318
Stocks	191,726	119,760
Debtors	50,541	56,079
Cash at bank	59,476	24,407
Creditors	(324,438)	(229,531)
	<u><u>33</u></u>	<u><u>33</u></u>
Issued share capital	2	2
Retained earnings	31	31
	<u><u>33</u></u>	<u><u>33</u></u>

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

	2020 £	2019 £
Turnover	1,297,156	753,065
Cost of sales	(1,033,508)	(584,059)
Administrative expenses	(115,687)	(110,531)
Other operating income	145,251	166,352
Net profit	293,212	224,827
Gift aid distribution to the parent charity	(293,212)	(224,827)
Net movement in retained earnings	<u><u>-</u></u>	<u><u>-</u></u>

16 STOCKS

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Convenience store goods held for resale	191,726	119,760	-	-
	<u><u>191,726</u></u>	<u><u>119,760</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

17 DEBTORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Trade debtors	36,597	31,321	-	100
Amounts owed by subsidiary	-	-	196,734	131,522
Prepayments	19,281	29,538	5,337	4,680
	<u><u>55,878</u></u>	<u><u>60,859</u></u>	<u><u>202,071</u></u>	<u><u>136,302</u></u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

18 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Trade creditors	87,244	107,827	-	36,602
Social security and other taxation	18,362	9,270	-	-
Other creditors	13,531	8,600	-	-
Accruals	24,167	31,411	15,600	22,497
	<u>143,304</u>	<u>157,108</u>	<u>15,600</u>	<u>59,099</u>

19 PENSION COMMITMENTS

The charity'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:

	2020 £	2019 £
Teachers' Pension Scheme	-	58,090
Defined contribution schemes	-	5,294
	<u>-</u>	<u>63,384</u>

At the year end there was outstanding pension creditors of £nil (2019 - £nil).

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 make 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 2020**

20 PROVISIONS

Amounts payable to OneSchool Global UK under the transfer agreement

During the previous 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 was 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 2020**

20 PROVISIONS (continued)

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

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Amount recognised in the Statement Of Financial Activities in regard to the provision for future amounts payable to OneSchool Global UK	226,411	254,596	226,411	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
	226,411	554,951	226,411	554,951

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

	Group and Parent 2020 £	Group and Parent 2019 £
Opening balance as at 1 January 2020	239,152	-
Amount recognised in the Statement Of Financial Activities in regard to the provision for future amounts payable to OneSchool Global UK	226,411	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)	276,433	188,358
Less payments on account made to OneSchool Global UK	(493,000)	(140,318)
Closing balance as at 31 December 2020	248,996	239,152

21 LEASING ARRANGEMENTS

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

	Group 2020 £	Group 2019 £	Parent 2020 £	Parent 2019 £
Within one year	34,916	75,000	-	45,000
Between one and five years	44,464	67,500	-	-
	79,380	142,500	-	45,000

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 2020

22 MOVEMENT IN FUNDS - GROUP

	As at 1 January 2020 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2020 £
Unrestricted funds					
General fund	33	1,450,256	(1,450,256)	-	33
Capital fund	32,407	1,637	-	-	34,044
	32,440	1,451,893	(1,450,256)	-	34,077
Restricted funds					
Capital fund	1,244,418	-	(180,825)	-	1,063,593
	1,244,418	-	(180,825)	-	1,063,593
	1,276,858	1,451,893	(1,631,081)	-	1,097,670

Movement in funds for the comparative year was as follows:

	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
	222,593	1,807,532	(1,978,919)	(18,766)	32,440
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)	-
	1,823,623	17,897	(615,868)	18,766	1,244,418
	2,046,216	1,825,429	(2,594,787)	-	1,276,858

MOVEMENT IN FUNDS - PARENT CHARITY

	As at 1 January 2020 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2020 £
Unrestricted funds					
General fund	2	301,061	(301,061)	-	2
Capital fund	32,407	1,637	-	-	34,044
	32,409	302,698	(301,061)	-	34,046
Restricted funds					
Capital fund	1,244,418	-	(180,825)	-	1,063,593
	1,244,418	-	(180,825)	-	1,063,593
	1,276,827	302,698	(481,886)	-	1,097,639

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

22 MOVEMENT IN FUNDS (continued)

Movement in funds for the comparative year was as follows:

	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
	222,562	1,112,944	(1,284,331)	(18,766)	32,409
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)	-
	1,823,623	17,897	(615,868)	18,766	1,244,418
	2,046,185	1,130,841	(1,900,199)	-	1,276,827

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.

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

	2020 Unrestricted funds	2020 Restricted funds	2020 Total funds	2019 Unrestricted funds	2019 Restricted funds	2019 Total funds
Tangible fixed assets	22,729	516,550	539,279	29,318	697,375	726,693
Social investment in property	-	370,000	370,000	-	370,000	370,000
Stocks	191,726	-	191,726	119,760	-	119,760
Debtors	55,878	-	55,878	60,859	-	60,859
Cash	156,044	177,043	333,087	218,763	177,043	395,806
Creditors	(143,304)	-	(143,304)	(157,108)	-	(157,108)
Provisions	(248,996)	-	(248,996)	(239,152)	-	(239,152)
	34,077	1,063,593	1,097,670	32,440	1,244,418	1,276,858

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

22 MOVEMENT IN FUNDS (continued)

NET ASSETS HELD BY EACH FUND - PARENT CHARITY

	2020 Unrestricted funds	2020 Restricted funds	2020 Total funds	2019 Unrestricted funds	2019 Restricted funds	2019 Total funds
Tangible fixed assets	-	516,550	516,550	-	697,375	697,375
Social investment in property	-	370,000	370,000	-	370,000	370,000
Fixed asset investments	2	-	2	2	-	2
Debtors	202,071	-	202,071	136,302	-	136,302
Cash	96,569	177,043	273,612	194,356	177,043	371,399
Creditors	(15,600)	-	(15,600)	(59,099)	-	(59,099)
Provisions	(248,996)	-	(248,996)	(239,152)	-	(239,152)
	<u>34,046</u>	<u>1,063,593</u>	<u>1,097,639</u>	<u>32,409</u>	<u>1,244,418</u>	<u>1,276,827</u>

23 RELATED PARTY TRANSACTIONS

Transactions with trustees

During the year the charity received school fee income from trustees with pupils at the school totalling £nil (2019 - £22,281), excluding amounts collected as agent on behalf of OneSchool Global UK.

During the year the charity received convenience store income from trustees totalling £52,307 (2019 - £26,798). At the year end the charity had convenience store trade debtors due from trustees totalling £202 (2019 - £460).

During the year the trustee reimbursed expenses to trustees totalling £745 (2019 - £502). At the year end the charity had creditors due to trustees of £nil (2019 - £30) 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 £nil (2019 - £2,000) and career average programme income totalling £nil (2019 - £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 £3,024 (2019 - £2,819). At the year end the charity owed these companies a total of £57 (2019 - £450). 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 £31,689 (2019 - £11,198). At the year end the charity had convenience store trade debtors due from trustees totalling £6,219 (2019 - £6,382).

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 £nil (2019 - £391,005).

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

23 RELATED PARTY TRANSACTIONS (continued)

OneSchool Global UK

During the previous 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 £nil (2019 - £108,102).

During the previous 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 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.