

The Mereside Education Trust  
Report and Financial Statements

31 Dec 2020

Charity number: 1058933

**The Mereside Education Trust  
Report and Financial Statements  
Contents**

	<b>Page</b>
Legal and administrative information	1
Report of the Trustees	2 - 5
Report of the Independent Auditor	6 - 8
Group Statement of Financial Activities	9
Group analysis of continuing and discontinued operations	10
Charity Statement of Financial Activities	11
Charity analysis of continuing and discontinued operations	12
Group and Charity balance sheets	13
Group cash flow statement	14
Charity cash flow Statement	15
Notes forming part of the financial statements	16 - 30
Additional information <i>(does not form part of the financial statements)</i>	31

**The Mereside Education Trust**  
**Legal and administrative information**

**Trustees**

Mr L Baldwin  
Mr M Chadwick  
Mr K Devenish  
Mr M Dunbar  
Mr J Hayward  
Mr M Hutchins  
Mr C Lewis  
Mr N Simpson  
Mr A Wells  
Mr V Wells

All Trustees hold title to the investment property, see note 19.

**Chief Executive Officer**

Mr A Wells

**Address of Principal Office**

Hartford Manor  
Greenbank Lane  
Northwich  
CW8 1HW

**Department for Education**

**Registration number**  
356/6030

**Auditor**

Dr J R Ayling BSc FCA  
8 Troutbeck Avenue  
Leamington Spa  
CV32 6NE

**Accountants**

Oldfield Services  
Santis House  
Curriers Close  
Coventry  
CV4 8AW

**Bankers**

NatWest Bank plc  
23 Stamford New Road  
Altrincham  
Cheshire  
WA14 1DB

**Solicitors**

Rothwell and Evans  
3 Claremont Road  
Sale  
Cheshire  
M33 7DZ

Charities Aid Foundation Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

## **The Mereside Education Trust**

### **Report of the Trustees for the year ended 31 Dec 2020**

The Trustees of The Mereside Education Trust present their annual report and audited financial statements for the year ended 31 December 2020 and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

#### **Structure, governance and management**

The Mereside Education Trust is constituted by a Deed of Trust dated 7 April 1995, amended 26 August 1996, 20 March 1997 and 18 December 2008, and is registered with the Charity Commission for England and Wales.

The Trustees who have served during the year and since the year end are set out on page 1. None of the Trustees, nor any person connected with them, received any remuneration from the Group in the year ended 31 December 2020 (year ended 31 December 2019: £nil). The power to appoint trustees is vested in the existing Trustees. Trustees are selected according to their own specialism in a needed field, and are expected to pursue that specialism. New trustees are instructed in the need to completely adhere to the ethos of the Trust. The Trustees give of their time freely. All major decisions, including those of a financial nature, are made by the Board of Trustees at their regular meetings.

The Charity has two wholly owned subsidiary companies, Quanto Enterprise Ltd, which undertakes trading activities and Hartford Investments Ltd, which owns the school premises in Northwich. All distributable profits from Quanto Enterprise Ltd are donated to the Trust. The results of Quanto Enterprise Ltd and Hartford Investments Ltd have been consolidated with those of the Trust in order to produce the consolidated financial statements which follow.

The Trust embarked, in conjunction with other Plymouth Brethren Schools in the UK, to consolidate during 2019 into one new charitable entity, OneSchool Global UK (registered charity number (1181301), "OSG". OSG provides advice and guidance to the Trustees and monitors expenditure of the funding they provide. This affiliation supersedes that previously provided by Focus Learning Trust (registered charity number 1099725).

The Trustees have examined the major strategic, business and operational risks which the Group faces and confirm that systems have been established to mitigate those risks.

#### **Objectives and activities**

**Objects** - The charitable objects of the Trust are the advancement of the education of children and young people. The objects also include any other charitable purpose for the benefit of the worldwide Christian fellowship known as the Plymouth Brethren Christian Church. The Trust's main activities are the support of Brethren schools and the provision of grants to organisations that support children and families.

**Ethos** - Students attending Brethren schools 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.

**The Mereside Education Trust**  
**Report of the Trustees for the year ended 31 Dec 2020**

**Objectives and activities (continued)**

**Objectives** - The key objectives for the year were to ensure that Hartford Manor was appropriately adapted for use as a school premises and to pursue the sale of the old school site for the maximum price. Volunteers are an integral part of the community ethos and values of the school.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have had regard to it when reviewing their aims and objectives, and in planning their future activities.

**Achievements and performance**

The Trust has supported the Brethren school in Northwich, providing use of the school building and supporting the education provision provided by OSG.

Pupils who attend the School are expected to act in accordance with the doctrines and practices of the Brethren, but there is no other academic or financial selection process for admission to the School.

The curriculum is designed to provide opportunities for pupils of varied abilities and interests. The subjects offered are in line with the National Curriculum and cover key learning areas. There is an increasing focus on encouraging and developing self-directed learning principles with students.

The aim is to provide a broad and balanced curriculum which promotes personal development and prepares students for increasing independence and responsibility.

OSG was incorporated for that purpose and, whilst recognising the responsibilities of each relevant local community, it is considered that the advantages of providing education through one organisation are considerable and that in particular allows:

- (a) delivery of a single entity to provide a single employer of school staff;
- (b) delivery of positive learning outcomes in line with a single, Global vision; and
- (c) maximisation of the benefits of a UK-wide ecosystem.

## **The Mereside Education Trust**

### **Report of the Trustees for the year ended 31 Dec 2020**

#### **Financial Review**

In the year ended 31 December 2020 the Group reported net expenditure of £792,226 (2019: net expenditure of £1,297,996) leaving group funds at 31 December 2020 at a deficit of £1,566,936 compared with a deficit of £774,710 at 31 December 2019. The Charity reported net expenditure of £165,384 for the year compared with net expenditure of £673,616 for the prior year and had deficit funds of £1,276,158 at 31 December 2020 compared with deficit funds of £1,110,774 at 31 December 2019. All funds are unrestricted.

Quanto Enterprise Limited made an operating profit of £220,287 (year ended 31 December 2019: £191,988), of which £220,000 (2019: £190,000) was donated to The Mereside Education Trust.

As a consequence of the contractual obligations imposed by the transfer of operations to OSG, The Mereside Education Trust has incurred costs of £229,627 (2019: £132,862) comprising the passing on of third party donations and subsidiary income. At 31 December 2020 the Charity had overpaid £4,173 (2019: 9,435) to OSG, in respect of these commitments.

The Trust continues to work closely with OSG to ensure that continued funding received by the Trust, intended to support the education of its students, is passed on to OSG in order to continue those provisions in line with the Trust's charitable objectives.

The Trust is supported and financed principally by donations and by grants from OSG. Further net loans of £378,000 have been taken out in 2020 to help offset the reduced grant funding received in 2020. Significant fundraising activities were not undertaken during 2020 or 2019.

The Group and Charity had net liabilities of £1,566,936 and £1,276,158, respectively, at 31 December 2020. At 31 December 2020 a loan of £100,000 was in breach of its repayment terms. The terms of this loan have not been formally renegotiated. Following the transfer of principal operations to OSG on 31 August 2019, the Charity became financially dependent on the support of OSG. Despite these conditions, the Trustees believe that the Charity and Group remain going concerns due to the following opportunities to raise additional funds:

A Section 106 agreement for residential planning permission on the old school site in Stockport is expected to be received from the Local Authority soon. The Trustees have received and accepted an offer to purchase the property, with residential planning approval, for £2.6m, although no contracts have yet been exchanged. The Hartford Manor site comprises the Manor House from which the school operates, an adjacent derelict cottage and approximately one acre of unused car parking area. The Trustees believe that the disposal of the cottage and / or surplus car park could raise additional funds without causing major disruption to the operation of the school, although no potential buyer has yet been sought.

The rapid and ongoing nature of the Covid-19 pandemic means there is significant uncertainty about the housing market and resulting property valuations. Consequently, the Trustees are uncertain when, and if the Charity or Group will return to a positive asset and current asset position. These are material uncertainties related to events or conditions that may cast significant doubt on the entities' ability to continue as going concerns, and therefore the Charity and Group might be unable to realise their assets and discharge their liabilities in the normal course of business.

At 31 December 2020 the Charity and Group had substantial deficit funds. The long term aim for the Charity has been to hold sufficient reserves to meet one month's operating costs and to have sufficient funds to repay its loans as required. In the short to medium term, the Trustees hope that the sale of the old school site in Stockport will help to alleviate the shortfall in funds and the sale of excess land and / or buildings at the Hartford Manor site is also under consideration. The charity continues to have numerous offers of long term loans from "stakeholders" in the Trust (i.e.; ex-students and their parents or grandparents) which could be used to offset other loans requiring repayment. The Trustees hope to return to a net assets position by 31 December 2022.

#### **Plans for future periods**

The Trustees intend to continue to support OSG to assist them in delivering a high level of educational experience and outcome for all students and staff, in accordance with the Trust's ethos and values.

**The Mereside Education Trust**  
**Report of the Trustees for the year ended 31 Dec 2020**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Trustees' Annual Report 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 & Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and the Charity and of the incoming resources and application of resources of the Group and the Charity for that period. In preparing these 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Group or Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Group and the Charity and financial information included on the Charity's and subsidiary's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other

Approved by the Trustees and signed on their behalf by:

  
\_\_\_\_\_  
Mr N Simpson, Trustee

28.10.2021  
\_\_\_\_\_  
Date

## **Report of the Independent Auditor To the Trustees of The Mereside Education Trust**

### **Opinion**

I have audited the financial statements of The Mereside Education Trust (the "Parent Charity") and its subsidiaries (the "Group") for the year ended 31 December 2020, which comprise the Group and Charity Statements of Financial Activities, the Group and Charity Balance Sheets, the Group and Charity Cash Flow Statements and Group and Charity 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Group's and Parent Charity's affairs as at 31 December 2020 and of the Group's and Parent Charity's incoming resources and application of resources, including its income and expenditure, 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**

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

### **Material uncertainty related to going concern**

I draw attention to note 3 in the financial statements, which indicates that at 31 December 2020 the Charity and the Group had material net liabilities and material net current liabilities meaning that there were insufficient funds to settle balances due to their creditors. At 31 December 2020 loans of £100,000 were in breach of their repayment terms. Following a transfer of principal operations to OneSchool Global UK ("OSG") on 31 August 2019, the Charity became financially dependent on the support of OSG. Uncertainty in the housing market and resulting property valuations has been caused by the rapid and ongoing nature of the Covid-19 pandemic. As stated in note 3, these conditions and events, along with other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Charity's and Group's ability to continue as going concerns. My opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

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

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



**Report of the Independent Auditor  
To the Trustees of The Mereside Education Trust  
(continued)**

**Other information**

The other information comprises the information included in the Trustees' annual report, other than the financial statements and my auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

**Matters on which I am required to report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

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

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 the Parent Charity's abilities 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 Group or the Parent Charity or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditor  
To the Trustees of The Mereside Education Trust  
(continued)**

**Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My 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 an auditor's report that includes my 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. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below:

Because of the inherent limitations of an audit, there is a risk that I 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 I 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 my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Use of my 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. My audit work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my audit work, for this report, or for the opinions I have formed.



28 October 2021

Dr J R Ayling BSc FCA, Statutory Auditor  
Dr J R Ayling BSc FCA  
8 Troutbeck Avenue  
Leamington Spa  
Warwickshire  
CV32 6NE

Date

*Dr J R Ayling FCA is eligible for appointment as auditor of the Group and the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006 itself.*

**The Mereside Education Trust**  
**Group Statement of Financial Activities for the year ended 31 Dec 2020**

		<b>Group</b>			
		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total Year ended 31 Dec 2020</b>	<b>Total Year ended 31 Dec 2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and legacies	4	103,888	3,600	107,488	149,835
Charitable activities	5	131,812	-	131,812	745,402
Other trading activities	6	1,049,792	-	1,049,792	771,179
Investments	7	74	-	74	8
Other		7,677	-	7,677	3,467
<b>Total</b>		<b>1,293,243</b>	<b>3,600</b>	<b>1,296,843</b>	<b>1,669,891</b>
<b>Expenditure on:</b>					
Expenditure on raising funds	8	834,418	-	834,418	565,307
Charitable activities	9	1,025,024	-	1,025,024	1,884,385
Other					
OneSchool Global UK transfer	2	226,027	3,600	229,627	132,862
Sundry		-	-	-	3,442
<b>Total</b>		<b>2,085,469</b>	<b>3,600</b>	<b>2,089,069</b>	<b>2,585,996</b>
<b>Net loss on investments</b>	17,19	-	-	-	381,891
<b>Net expenditure</b>		(792,226)	-	(792,226)	(1,297,996)
Transfers between funds	24	-	-	-	-
<b>Net movement in funds</b>		(792,226)	-	(792,226)	(1,297,996)
Total funds brought forward	24	(774,710)	-	(774,710)	523,286
<b>Total funds carried forward</b>	24	<b>(1,566,936)</b>	<b>-</b>	<b>(1,566,936)</b>	<b>(774,710)</b>

There were no recognised gains and losses for the Group for the current or prior years other than those included in the statement of Financial Activities. An analysis of continuing and discontinued activities is presented on the next page.

**The Mereside Education Trust**  
**Group analysis of continuing and discontinued operations for**  
**the year ended 31 Dec 2020**

		Group					
	Notes	Continuing operations £	Discon- tinued operations £	Total 12m ended 31 Dec 20 £	Continuing operations £	Discon- tinued operations £	Total 12m ended 31 Dec 19 £
<b>Income and endowments from:</b>							
Donations and legacies	4	107,488	-	107,488	138,362	11,473	149,835
Charitable activities	5	131,812	-	131,812	132,143	613,259	745,402
Other trading activities	6	1,049,792	-	1,049,792	759,096	12,083	771,179
Investments	7	74	-	74	8	-	8
Other		7,677	-	7,677	3,467	-	3,467
<b>Total</b>		<b>1,296,843</b>	<b>-</b>	<b>1,296,843</b>	<b>1,033,076</b>	<b>636,815</b>	<b>1,669,891</b>
<b>Expenditure on:</b>							
Raising funds	8	834,418	-	834,418	554,367	10,940	565,307
Charitable activities	9	1,025,024	-	1,025,024	973,132	911,253	1,884,385
Other							
OneSchool Global UK tfr	2	229,627	-	229,627	75,000	57,862	132,862
Sundry expenses		-	-	-	3,442	-	3,442
<b>Total</b>		<b>2,089,069</b>	<b>-</b>	<b>2,089,069</b>	<b>1,605,941</b>	<b>980,055</b>	<b>2,585,996</b>
<b>Net loss on investments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>381,891</b>	<b>-</b>	<b>381,891</b>
<b>Net expenditure</b>		<b>(792,226)</b>	<b>-</b>	<b>(792,226)</b>	<b>(954,756)</b>	<b>(343,240)</b>	<b>(1,297,996)</b>

**The Mereside Education Trust**

**Charity Statement of Financial Activities for the year ended 31 Dec 2020**

		Charity			
		Unrestricted funds	Restricted funds	Total Year ended 31 Dec 2020	Total Year ended 31 Dec 2019
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and legacies	4	66,088	3,600	69,688	112,035
Charitable activities	5	121,812	-	121,812	745,402
Other trading activities	6	-	-	-	17,399
Investment income	7	290,781	-	290,781	270,572
Other		2,677	-	2,677	3,467
<b>Total</b>		<b>481,358</b>	<b>3,600</b>	<b>484,958</b>	<b>1,148,875</b>
<b>Expenditure on:</b>					
Expenditure on raising funds	8	61,872	-	61,872	63,458
Charitable activities	9	258,230	-	258,230	1,240,838
Other					
OneSchool Global UK transfer	2	226,027	3,600	229,627	132,862
Sundry		-	-	-	3,442
<b>Total</b>		<b>546,129</b>	<b>3,600</b>	<b>549,729</b>	<b>1,440,600</b>
<b>Net loss on investments</b>	17,19	<b>100,613</b>	<b>-</b>	<b>100,613</b>	<b>381,891</b>
<b>Net expenditure</b>		<b>(165,384)</b>	<b>-</b>	<b>(165,384)</b>	<b>(673,616)</b>
Transfers between funds	24	-	-	-	-
<b>Net movement in funds</b>		<b>(165,384)</b>	<b>-</b>	<b>(165,384)</b>	<b>(673,616)</b>
Total funds brought forward	24	(1,110,774)	-	(1,110,774)	(437,158)
<b>Total funds carried forward</b>	24	<b>(1,276,158)</b>	<b>-</b>	<b>(1,276,158)</b>	<b>(1,110,774)</b>

There were no recognised gains and losses for the Charity for the current or prior years other than those included in the statement of Financial Activities. An analysis of continuing and discontinued activities is presented on the next page.


**The Mereside Education Trust**  
**Charity analysis of continuing and discontinued operations for**  
**the year ended 31 Dec 2020**

		Charity					
		Continuing operations	Discon- tinued operations	Total 12m ended 31 Dec 20	Continuing operations	Discon- tinued operations	Total 12m ended 31 Dec 19
Notes		£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations and legacies	4	69,688	-	69,688	100,562	11,473	112,035
Charitable activities	5	121,812	-	121,812	132,143	613,259	745,402
Other trading activities	6	-	-	-	5,316	12,083	17,399
Investments	7	290,781	-	290,781	270,572	-	270,572
Other		2,677	-	2,677	3,467	-	3,467
Total		484,958	-	484,958	512,060	636,815	1,148,875
<b>Expenditure on:</b>							
Raising funds	8	61,872	-	61,872	52,518	10,940	63,458
Charitable activities	9	258,230	-	258,230	329,585	911,253	1,240,838
Other							
OneSchool Global UK tfr	2	229,627	-	229,627	75,000	57,862	132,862
Sundry expenses		-	-	-	3,442	-	3,442
Total		549,729	-	549,729	460,545	980,055	1,440,600
<b>Net loss on investments</b>		100,613	-	100,613	381,891	-	381,891
<b>Net expenditure</b>		(165,384)	-	(165,384)	(330,376)	(343,240)	(673,616)

**The Mereside Education Trust**  
**Group and Charity Balance Sheets as at 31 Dec 2020**

		<b>Group</b>		<b>Charity</b>	
		<b>31 Dec 2020 £</b>	<b>31 Dec 2019 £</b>	<b>31 Dec 2020 £</b>	<b>31 Dec 2019 £</b>
	<b>Notes</b>				
<b>Fixed assets</b>					
Intangible fixed asset	15	1,079,721	1,619,582	-	-
Tangible assets	16	2,106,505	2,232,609	-	705,673
Investments	17	-	-	1,660,089	983,420
		<u>3,186,226</u>	<u>3,852,191</u>	<u>1,660,089</u>	<u>1,689,093</u>
<b>Current assets</b>					
Stocks		99,130	89,513	-	-
Debtors	18	24,361	49,786	5,173	31,542
Investments	19	417,850	417,850	417,850	417,850
Cash at bank and in hand		429,161	134,090	305,386	56,751
		<u>970,502</u>	<u>691,239</u>	<u>728,409</u>	<u>506,143</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	20	(3,324,084)	(2,918,560)	(3,160,695)	(2,802,049)
<b>Net current liabilities</b>		<u>(2,353,582)</u>	<u>(2,227,321)</u>	<u>(2,432,286)</u>	<u>(2,295,906)</u>
Debtors: amounts falling due after more than one year	18	-	-	1,895,619	1,895,619
<b>Total assets less current liabilities</b>		<u>832,644</u>	<u>1,624,870</u>	<u>1,123,422</u>	<u>1,288,806</u>
Creditors: amounts falling due after more than one year	21	(2,399,580)	(2,399,580)	(2,399,580)	(2,399,580)
<b>Total net liabilities</b>		<u>(1,566,936)</u>	<u>(774,710)</u>	<u>(1,276,158)</u>	<u>(1,110,774)</u>
<b>Funds</b>					
Restricted	24	-	-	-	-
Unrestricted	24	(1,566,936)	(774,710)	(1,276,158)	(1,110,774)
		<u>(1,566,936)</u>	<u>(774,710)</u>	<u>(1,276,158)</u>	<u>(1,110,774)</u>

Approved by the trustees and signed on their behalf by:

  
 \_\_\_\_\_  
 Mr N Simpson, Trustee

28.10.2021  
 \_\_\_\_\_  
 Date

**The Mereside Education Trust**  
**Group cash flow statement**  
**for the year ended 31 Dec 2020**

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £	
<b>Cash flows from operating activities</b>			
Net expenditure	(792,226)	(1,297,996)	
Adjustments for:			
Amortisation charge	539,861	539,861	
Depreciation charge	132,978	116,111	
Loss on transfer of fixed assets to OneSchool Global UK	-	192,879	
Losses on current investments	-	381,891	
Interest income shown in investing activities	(74)	(8)	
Increase in stocks	(9,617)	(14,370)	
Decrease in debtors	25,425	61,146	
Increase / (decrease) in creditors	27,524	(126,916)	
Net cash used in operating activities	(76,129)	(147,402)	
<b>Cash flows from investing activities</b>			
Interest and dividends	74	8	
Purchase of tangible fixed assets	(6,874)	(1,289,389)	
Net cash used in investing activities	(6,800)	(1,289,381)	
<b>Cash flows from financing activities</b>			
Repayments of borrowing	(203,000)	(1,049,200)	
Cash inflows from new borrowing	581,000	1,960,000	
Net cash provided by financing activities	378,000	910,800	
Change in cash and cash equivalents in the period	295,071	(525,983)	
Cash and cash equivalents brought forward	134,090	660,073	
<b>Cash and cash equivalents carried forward</b>	<b>429,161</b>	<b>134,090</b>	
<b>Analysis of cash and cash equivalents</b>			
Cash in hand	429,161	134,090	
<b>Changes in net debt</b>	<b>At start of year £</b>	<b>Cash flows £</b>	<b>At end of year £</b>
Cash	134,090	295,071	429,161
Loans falling due within one year	(2,733,000)	(378,000)	(3,111,000)
Loans falling due after more than one year	(2,399,580)	-	(2,399,580)
Total	(4,998,490)	(82,929)	(5,081,419)



**The Mereside Education Trust**  
**Charity cash flow statement**  
**for the year ended 31 Dec 2020**

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £	
<b>Cash flows from operating activities</b>			
Net expenditure	(165,384)	(673,616)	
Adjustments for:			
Impairment of fixed asset investment	100,613	-	
Depreciation charges	-	96,067	
Loss on transfer of fixed assets to OneSchool Global UK	-	192,879	
Losses on current investments	-	381,891	
Interest income shown in investing activities	(74)	(8)	
Decrease in debtors	26,369	54,160	
Increase / (decrease) in creditors	646	(126,798)	
Net cash used in by operating activities	<u>(37,830)</u>	<u>(75,425)</u>	
<b>Cash flows from investing activities</b>			
Interest and dividends	74	8	
Purchase of investments	(71,609)	(80,564)	
Purchase of tangible fixed assets	-	(1,280,591)	
Net cash used in investing activities	<u>(71,535)</u>	<u>(1,361,147)</u>	
<b>Cash flows from financing activities</b>			
Repayments of borrowing	(193,000)	(1,044,200)	
Cash inflows from new borrowing	551,000	1,960,000	
Net cash provided by financing activities	<u>358,000</u>	<u>915,800</u>	
Change in cash and cash equivalents in the period	248,635	(520,772)	
Cash and cash equivalents brought forward	56,751	577,523	
<b>Cash and cash equivalents carried forward</b>	<u>305,386</u>	<u>56,751</u>	
<b>Analysis of cash and cash equivalents</b>			
Cash in hand	<u>305,386</u>	<u>56,751</u>	
<b>Changes in net debt</b>	<b>At start of year £</b>	<b>Cash flows £</b>	<b>At end of year £</b>
Cash	56,751	248,635	305,386
Loans falling due within one year	(2,683,000)	(358,000)	(3,041,000)
Loans falling due after more than one year	(2,399,580)	-	(2,399,580)
Total	<u>(5,025,829)</u>	<u>(109,365)</u>	<u>(5,135,194)</u>

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**1 Accounting policies**

**{a} Basis of preparation**

The Mereside Education Trust is a Charity registered in England & Wales. The address of the registered office is given in the Charity information on page 1 of these financial statements. Until 31 August 2019 the Trust operated an independent school based in Stockport, and subsequently Northwich, which educates approximately 150 pupils from 7 to 18 years of age. Since that date it has continued to own, via its wholly owned subsidiary company Hartford Investments Limited, the building from which the school is operated by another Charity, OneSchool Global UK (registered Charity number 1181301).

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements and consolidated financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and UK Generally Accepted Practice. The financial statements are prepared on a going concern basis under the historical cost convention. 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.

**{b} Method of consolidation**

The results of The Mereside Education Trust and its wholly owned subsidiaries, Quanto Enterprise Limited and Hartford Investments Limited, have been consolidated to produce Group accounts using the acquisition method.

**{c} Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity, or the Group, and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity, or the Group, for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**{d} Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity or the Group is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. 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.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity, or the Group, has control over the item. Fair value is determined on the basis of the value of the gift to the Charity, or the Group. For example the amount the Charity, or the Group, would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity, or the Group. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through trading activities undertaken by the trading subsidiaries, the profits from whom are donated to the Parent Charity. All income arises in the United Kingdom.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**1 Accounting policies (continued)**

**{e} Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the costs of fundraising and trading activities
- Expenditure on charitable activities comprises the costs of provision of education and associated costs

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**{f} Support costs allocation**

Support costs are those that assist the work of the Charity, or the Group, but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities as raising funds is undertaken on a wholly voluntary basis. The analysis of these costs is included in note 11.

**{g} Intangible fixed assets - goodwill**

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is five years because the useful economic life cannot be estimated reliably. Provision is made for any impairment.

**{h} Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	No depreciation
Freehold buildings	2% straight line
Freehold improvements	13.6% straight line
Leasehold improvements	Over the lease term
Fixtures, fittings & equipment	
Non computer equipment	20% straight line
Computer equipment	33% straight line

Assets costing less than £500 are written off to the SoFA in the year of purchase.

**{i} Investments**

Investment properties for which fair value can be measured reliably are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA. Current asset investments are those which are expected to be sold within 12 months of the balance sheet date. Fixed asset investments are those held for ongoing use by the Charity.

**{j} Stocks**

Stocks comprise finished goods and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**1 Accounting policies (continued)**

**{k} Debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**{l} Concessionary loans**

Concessionary loans include those payable to, or receivable from, third parties which are interest free or below market interest rates and are made, or received, to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment.

**{m} Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**{n} Provisions**

Provisions are recognised when the Charity, or the Group, has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**{o} Employee benefits**

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust 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 on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 14, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**{p} Tax**

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a Charity for UK corporation tax purposes.

**{q} Going concern**

The financial statements have been prepared on a going concern basis, see note 3.

**{r} Judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The 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 the period of the revision and future periods where the revision affects both current and future periods.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**2 OneSchool Global UK**

On 31 August 2019 the Charity transferred its primary operations to OneSchool Global UK, "OSG". Under the terms of the associated transfer agreement, the "Agreement", The Mereside Education Trust incurred the following expenditure:

	<b>Group &amp; Charity</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>£</b>	<b>£</b>
Transferral of cash balances	-	57,862
Contractual payment of post transfer third party donations	9,627	-
Contractual payment of post transfer subsidiary income	220,000	75,000
	<u>229,627</u>	<u>132,862</u>

The contractual payment of post transfer third party donations includes a restricted amount of £3,600 (2019: £nil). Prepayments and accrued income include £4,173 (2019: £9,435) in respect of amounts overpaid to OneSchool Global UK during the year ended 31 December 2020, see note 18.

From 1 September 2019, under the terms of the Agreement, The Mereside Education Trust has charged school fees and collected receipts from parents on an agency only basis as follows:

	<b>Group &amp; Charity</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>£</b>	<b>£</b>
Balance held as agent b/f	5,281	-
Funds received as agent	254,207	5,281
Funds paid as agent	(259,488)	-
Balance held as agent c/f	<u>-</u>	<u>5,281</u>

**3 Going Concern and Covid-19**

The Group and Charity had net liabilities of £1,566,936 and £1,276,158, respectively, at 31 December 2020. At 31 December 2020 a loan of £100,000 was in breach of its repayment terms. The terms of this loan have not been formally renegotiated. Following a transfer of principal operations to OneSchool Global UK ("OSG") on 31 August 2019, the Charity became financially dependent on the support of OSG. Despite these conditions, the Trustees believe that the Charity and Group remain going concerns due to the following opportunities to raise additional funds:

A Section 106 agreement for residential planning permission on the old school site in Stockport is expected to be received from the Local Authority soon. The Trustees have received and accepted an offer to purchase the property, with residential planning approval, for £2.6m, although no contracts have yet been exchanged. The Hartford Manor site comprises the Manor House from which the school operates, an adjacent derelict cottage and approximately one acre of unused car parking area. The Trustees believe that the disposal of the cottage and / or surplus car park could raise additional funds without causing major disruption to the operation of the school, although no potential buyer has yet been sought.

The rapid and ongoing nature of the Covid-19 pandemic means there is significant uncertainty about the housing market and resulting property valuations. Consequently, the Trustees are uncertain when, and if the Charity or Group will return to a positive asset and current asset position. These are material uncertainties related to events or conditions that may cast significant doubt on the entities' ability to continue as going concerns, and therefore the Charity and Group might be unable to realise their assets and discharge their liabilities in the normal course of business.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**4 Donations and legacies**

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Gifts and donations	107,488	149,835	69,688	112,035

Included within gifts and donations for the Group and the Charity is £3,600 (2019: £10,853) relating to the restricted Capital fund, see note 24.

Gifts and donations for the Group include £37,800 (2019: £37,800) in respect of premises occupied free of charge by the trading subsidiary, Quanto Enterprise Ltd. The sum of £37,800 is the Trustees' estimate of the rental charges the company would incur if rent was charged at the full commercial rate. The Group premises costs (note 11) include £37,800 in respect of these waived charges.

**5 Income from charitable activities**

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
School fees	-	246,280	-	246,280
Career Advantage Program	-	22,000	-	22,000
Grant income	131,812	477,122	121,812	477,122
	<u>131,812</u>	<u>745,402</u>	<u>121,812</u>	<u>745,402</u>

Included within grant income for the Group and the Charity is £nil (2019: £38,600) relating to restricted funds, see note 24. The Career Advantage Program income was also restricted.

**6 Other trading activities**

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising income	-	5,316	-	5,316
Other trading income	1,049,792	765,863	-	12,083
	<u>1,049,792</u>	<u>771,179</u>	<u>-</u>	<u>17,399</u>

**7 Investment income**

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Income from subsidiaries	-	-	290,707	270,564
Bank interest	74	8	74	8
	<u>74</u>	<u>8</u>	<u>290,781</u>	<u>270,572</u>

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**8 Expenditure on raising funds**

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trading costs	772,546	512,789	-	10,940
Investment management costs	61,872	52,518	61,872	52,518
	<u>834,418</u>	<u>565,307</u>	<u>61,872</u>	<u>63,458</u>

**9 Expenditure on charitable activities**

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tutoring costs	44,110	525,129	44,110	525,129
Student transport	-	39,139	-	39,139
Fee relief	-	86,076	-	86,076
Other direct costs	-	38,165	-	38,165
Total direct costs	<u>44,110</u>	<u>688,509</u>	<u>44,110</u>	<u>688,509</u>
Support costs	980,914	1,195,876	214,120	552,329
	<u>1,025,024</u>	<u>1,884,385</u>	<u>258,230</u>	<u>1,240,838</u>

Included within tutoring costs for the Group and the Charity are restricted costs of £nil (2019: £14,025). Included within fee relief charges for the Group and Charity for the year ended 31 December 2019 is a restricted amount of £22,000.

**10 Trustees' expenses and remuneration**

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (year ended 31 December 2019: £nil). Expenses paid to the Trustees in the year totalled £nil (2019: £nil). During the year, Trustees made donations of £nil (2019: £nil). Related party transactions are disclosed in note 26.

**11 Allocation of support costs**

All support costs are allocated to the sole charitable activity of the Charity and the Group, being the advancement of education of children and young people from the ages of five to eighteen.

<b>Support cost</b>	<b>Group £</b>	<b>Charity £</b>
Premises costs	64,955	211
Administrative costs	17,416	5,105
Amortisation of goodwill	539,861	-
Depreciation and loss on disposals	132,978	-
Finance costs	204,775	196,333
Professional charges	9,441	3,138
Governance costs	11,488	9,333
	<u>980,914</u>	<u>214,120</u>

Premises costs for the Group include £37,800 in respect of waived rental costs, see note 4

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**12 Net movement in funds for the year**

The net movement in funds for the year is stated after charging:

	<b>Group</b>		<b>Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amortisation of goodwill	539,861	539,861	-	-
Depreciation of tangible fixed assets	132,978	116,111	-	96,067
Audit fees	5,450	5,350	5,450	5,350

No other fees were paid to the auditor (year ended 31 December 2019: £nil).

**13 Staff costs**

	<b>Group &amp; Charity</b>	
	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>
The staff costs were:		
Wages and salaries	29,687	421,069
Social security costs	3,294	41,307
Pension contributions	7,029	56,684
Termination costs	4,100	15,050
	<b>44,110</b>	<b>534,110</b>
Other staff costs (inc agency staff)	-	59,400
	<b>44,110</b>	<b>593,510</b>

Agency staff were used for teaching purposes when the Trust has been temporarily unsuccessful in recruiting a teacher for specific subjects. The number of employees whose employee benefits (including holiday pay accruals under FRS102) exceeded £60,000 was:

	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>
	<b>No.</b>	<b>No.</b>
£60,001 to £70,000	-	1

The Charity and Group employed one member of teaching staff for the period 1 January 2020 to 31 August 2020. The average weekly number of teaching and support staff employed during the year ended 31 December 2019 was 13.

Included within termination payments are statutory redundancy payments of £nil (2019: £9,450) and other payments of £4,100 (2019: £5,600).

**14 Teachers' pension scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.



**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**14 Teachers' pension scheme (continued)**

Not less than every four years 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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 rate set at 23.6% of pensionable pay from 1 September 2019 (16.4% to 30 August 2019) (including a 0.08% employer administration charge);
- 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;
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- The assumed real rate of return is 2.8% 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 is 4.45%.

Until 1 September 2019 the employer contribution rate was 16.4%. The TPS valuation for 2016 determined an employer rate of 23.6% from September 2019, which will be payable during the implementation period until the next valuation as at March 2020, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The pension costs paid to TPS in the period (including holiday pay accruals under FRS102) amounted to £7,029 (2019: £56,684).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

**15 Intangible fixed asset - goodwill**

The carrying amounts for goodwill arising on the purchase of the entire share capital of Hartford Investments Ltd (see note 17) is as follows:

	Group £	Charity £
<b>Cost</b>		
At 1 January 2020 and 31 December 2020	2,699,304	-
<b>Amortisation</b>		
At 1 January 2020	1,079,722	-
Charge for year	539,861	-
At 31 December 2020	1,619,583	-
<b>Net book value</b>		
At 31 December 2020	1,079,721	-
At 31 December 2019	1,619,582	-

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**16 Tangible fixed assets**

	<b>Group</b>				
	<b>Freehold land &amp; buildings</b>	<b>Freehold improve- ments</b>	<b>Leasehold improve- ments</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 Jan 2020	1,485,713	-	780,789	27,157	2,293,659
Transfer	-	738,884	(738,884)	-	-
Additions	-	902	-	5,972	6,874
At 31 Dec 2020	<u>1,485,713</u>	<u>739,786</u>	<u>41,905</u>	<u>33,129</u>	<u>2,300,533</u>
<b>Depreciation</b>					
At 1 Jan 2020	5,943	-	44,555	10,552	61,050
Transfer	-	33,211	(33,211)	-	-
Charge for year	17,829	100,613	8,380	6,156	132,978
At 31 Dec 2020	<u>23,772</u>	<u>133,824</u>	<u>19,724</u>	<u>16,708</u>	<u>194,028</u>
<b>Net book value</b>					
At 31 Dec 2020	<u>1,461,941</u>	<u>605,962</u>	<u>22,181</u>	<u>16,421</u>	<u>2,106,505</u>
At 31 Dec 2019	<u>1,479,770</u>	<u>-</u>	<u>736,234</u>	<u>16,605</u>	<u>2,232,609</u>

	<b>Charity</b>				
	<b>Freehold land &amp; buildings</b>	<b>Freehold improve- ments</b>	<b>Leasehold improve- ments</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 Jan 2020	-	-	738,884	-	738,884
Transfer	-	-	(738,884)	-	(738,884)
At 31 Dec 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Depreciation</b>					
At 1 Jan 2020	-	-	33,211	-	33,211
Transfer	-	-	(33,211)	-	(33,211)
At 31 Dec 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>					
At 31 Dec 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 Dec 2019	<u>-</u>	<u>-</u>	<u>705,673</u>	<u>-</u>	<u>705,673</u>

The leasehold improvements for the Charity at 1 January 2020 comprise the repurposing and refurbishment costs of Hartford Manor which is owned by the trading subsidiary Hartford Investments Ltd. These costs had been borne by The Mereside Education Trust with a view to occupying the premises under a deemed lease agreement by virtue of its parent / subsidiary relationship with the Company. On 1 January 2020 Hartford Investments Ltd entered into a lease agreement for Hartford Manor with OneSchool Global UK, effectively ceasing its deemed lease with The Mereside Education Trust. As a result of these events, The Mereside Education Trust's interest in these leasehold improvements has been transferred to its investment in Hartford Investments Ltd, see note 17, as Hartford Investments Ltd has benefitted from the improvements made to the property.

For the Group, the capitalised costs of repurposing and refurbishment have transferred from leasehold improvements to freehold improvements. This transfer represents the assets initially being associated with the leasing arrangement, through The Mereside Education Trust, and subsequently being attributed to the freehold premises owned by Hartford Investments Ltd.

Lending of £2,399,580 at 31 December 2020 and 31 December 2019 has been secured on Hartford Manor, see note 22.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**17 Fixed asset investments**

	Charity		
	Quanto Enterprise Ltd	Hartford Investments Ltd	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 Jan 2020	2	2,397,343	2,397,345
Transfer	-	705,673	705,673
Additions	-	71,609	71,609
At 31 Dec 2020	2	3,174,625	3,174,627
<b>Impairment</b>			
At 1 Jan 2020	-	1,413,925	1,413,925
Charge for year	-	100,613	100,613
At 31 Dec 2020	-	1,514,538	1,514,538
<b>Carrying amount</b>			
At 31 Dec 2020	2	1,660,087	1,660,089
At 31 Dec 2019	2	983,418	983,420

The Charity owns 100% of the share capital of Quanto Enterprise Limited, a company registered in England and Wales. Quanto Enterprise Limited undertakes general trading in order to raise funds for the Charity. The following results of Quanto Enterprise Limited have been consolidated with those of The Mereside Education Trust:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Trading income	1,049,792	753,780
Trading costs	(772,546)	(501,849)
Other income	10,000	-
Support costs	(66,959)	(59,943)
Operating profit	220,287	191,988
Donation to Mereside Education Trust	(220,000)	(190,000)
Net profit	287	1,988
<b>Assets</b>	280,311	231,209
<b>Liabilities</b>	(164,826)	(116,011)
<b>Net assets</b>	115,485	115,198
Called up share capital	2	2
Retained earnings	115,483	115,196
Capital and reserves	115,485	115,198

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**17 Fixed asset investments (continued)**

The charity owns 100% of the share capital of Hartford Investments Limited, a company registered in England and Wales which owns Hartford Manor in Northwich. The carrying value is based on a valuation by an independent professionally qualified valuer with recent experience in the location and class of the investment property being valued.

The transfer to fixed asset investments comprises the Charity's net book value of leasehold improvements at 1 January 2020, see note 16.

The following results of Hartford Investments Limited have been consolidated with those of The Mereside Education Trust:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Service charge income	5,000	-
Support costs	(17,829)	(5,943)
Net loss	<u>(12,829)</u>	<u>(5,943)</u>
Assets	1,464,762	1,480,823
Amount due to The Mereside Education Trust	(1,895,619)	(1,895,619)
Other liabilities	(1,000)	(500)
Net liabilities	<u>(431,857)</u>	<u>(415,296)</u>
Called up share capital	200	200
Reserves	(432,057)	(415,496)
Capital and reserves	<u>(431,857)</u>	<u>(415,296)</u>

**18 Debtors**

	Group		Charity	
	31 Dec 2020 £	31 Dec 2019 £	31 Dec 2020 £	31 Dec 2019 £
<b>Due within one year:</b>				
Trade debtors	7,820	21,066	-	20,645
Other debtors	85	754	-	-
Prepayments and accrued income	16,456	27,966	5,173	10,897
	<u>24,361</u>	<u>49,786</u>	<u>5,173</u>	<u>31,542</u>

Prepayments and accrued income include £4,173 (2019: £9,435) overpaid to OneSchool Global UK under the transfer agreement, see note 2.

	Group		Charity	
	31 Dec 2020 £	31 Dec 2019 £	31 Dec 2020 £	31 Dec 2019 £
<b>Due after more than one year:</b>				
Amounts due from subsidiary co.	-	-	1,895,619	1,895,619

Amounts due from subsidiary companies after more than one year comprise an interest free loan made by The Mereside Education Trust to Hartford Investments Ltd under the terms of a share purchase agreement on 21 September 2018. Additions to Hartford Investments Ltd (note 17) include £70,707 (2019: £80,564) in respect of concessionary interest on this loan.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**19 Current investments**

Current investments comprise land at Tennyson Close and the old school premises on Didsbury Road, both in Stockport. During the year ended 31 December 2019 the school relocated from the Didsbury Road site and the decision was taken to market it for sale. In order to maximise the sales revenue for the Trust, the Trustees made a planning application for residential use, the land in Tennyson Close forming part of that application. The carrying value is based on a valuation by an independent professionally qualified valuer with recent experience in the location and class of the investment property being valued.

	Charity & Group		
	Tennyson Close, Stockport	Didsbury Road, Stockport	Total
	£	£	£
Carrying value at 31 Dec 2020 and 31 Dec 2019	20,000	397,850	417,850

**20 Creditors: amounts falling due within one year**

	Group		Charity	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	£	£	£	£
Loans (see note 22)	3,111,000	2,733,000	3,041,000	2,683,000
Trade creditors	63,543	89,650	2,963	39,142
Amounts owed to group undertakings	-	-	2,437	-
Accruals and deferred income	118,835	77,847	113,886	74,298
Taxation and social security	8,749	-	-	-
Other creditors	21,957	18,063	409	5,609
	<u>3,324,084</u>	<u>2,918,560</u>	<u>3,160,695</u>	<u>2,802,049</u>

**21 Creditors: amounts falling due after more than one year**

	Group		Charity	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	£	£	£	£
Loans (see note 22)	<u>2,399,580</u>	<u>2,399,580</u>	<u>2,399,580</u>	<u>2,399,580</u>

**22 Loans**

	Group	Charity
	£	£
At 1 January 2020	5,132,580	5,082,580
Loans advanced	581,000	551,000
Loans repaid	(203,000)	(193,000)
At 31 December 2020	<u>5,510,580</u>	<u>5,440,580</u>

Loans due after more than one year comprise a non concessionary loan secured on the Group's premises, Hartford Manor. All other loans were concessionary, unsecured loans with either zero or below market rate interest charges.

At 31 December 2020 loans of £100,000 were in breach of their repayment terms. The terms of these loans have not been formally renegotiated.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**23 Deferred income**

	Group £	Charity £
At 1 January 2020	2,818	2,818
Amounts released to income	(2,818)	(2,818)
At 31 December 2020	<u>-</u>	<u>-</u>

Deferred income at 31 December 2019 comprised payments on account from students' parents of £2,818. There was no deferred income at 31 December 2020.

**24 Summary of fund movements**

Group					
	Fund balance b/f £	Income £	Expenditure £	Loss on investments £	Fund balance c/f £
<b>Unrestricted funds</b>					
General fund	(774,710)	1,293,243	(2,085,469)	-	(1,566,936)
<b>Restricted funds</b>					
Capital fund	-	3,600	(3,600)	-	-
<b>Total funds</b>	<u>(774,710)</u>	<u>1,296,843</u>	<u>(2,089,069)</u>	<u>-</u>	<u>(1,566,936)</u>

Charity					
	Fund balance b/f £	Income £	Expenditure £	Loss on investments £	Fund balance c/f £
<b>Unrestricted funds</b>					
General fund	(1,110,774)	481,358	(546,129)	(100,613)	(1,276,158)
<b>Restricted funds</b>					
Capital fund	-	3,600	(3,600)	-	-
<b>Total funds</b>	<u>(1,110,774)</u>	<u>484,958</u>	<u>(549,729)</u>	<u>(100,613)</u>	<u>(1,276,158)</u>

The Capital fund is used to collect and spend funds obtained for capital purposes.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**25 Analysis of net assets by fund**

	<b>Group</b>		
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	3,186,226	-	3,186,226
Current assets	970,502	-	970,502
Current liabilities	(3,324,084)	-	(3,324,084)
Creditors due after more than one year	(2,399,580)	-	(2,399,580)
Fund balance	<u>(1,566,936)</u>	<u>-</u>	<u>(1,566,936)</u>

	<b>Charity</b>		
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	1,660,089	-	1,660,089
Current assets	728,409	-	728,409
Current liabilities	(3,160,695)	-	(3,160,695)
Debtors due after more than one year	1,895,619	-	1,895,619
Creditors due after more than one year	(2,399,580)	-	(2,399,580)
Fund balance	<u>(1,276,158)</u>	<u>-</u>	<u>(1,276,158)</u>

**26 Related party transactions**

Included in grant income for the Group and the Charity (note 5) is funding of £nil (year ended 31 December 2019: £330,954) from the Focus Learning Trust (Registered Charity number 1099725) and £113,369 (2019: £132,143) from OneSchool Global UK Ltd. Both Focus Learning Trust and OneSchool Global UK, in addition to providing financial assistance, have provided technical support and are therefore in a position to advise upon and influence policies adopted by The Mereside Education Trust.

No fee discounts, including deductions made under the Career Advantage Program were awarded to Trustees, or their immediate family and / or business interests in the year ended 31 December 2020. Such discounts were made during the year ended 31 December 2019 as follows: Mr L Baldwin: £1,884, Mr C Lewis: £1,332, Mr M Chadwick: £3,192 and Mr N Simpson: £4,986.

Unsecured loans, with below market interest rates, have been provided to the Charity by the Trustees (including their immediate family and / or business interests) as follows:

<b>Trustee</b>	<b>Bal b/f at 1 Jan 2020 £</b>	<b>Advanced in the year £</b>	<b>Repaid in the year £</b>	<b>Bal c/f at 31 Dec 2020 £</b>
Mr K Devenish	39,000	30,000	-	69,000
Mr M Dunbar	25,000	-	-	25,000
Mr J Hayward	20,000	-	-	20,000
Mr M Hutchins	100,000	-	-	100,000
Mr C Lewis	50,000	45,000	(50,000)	45,000
Mr N Simpson	50,000	15,000	-	65,000
Mr A Wells	450,000	-	-	450,000
Mr V Wells	100,000	-	-	100,000
	<u>834,000</u>	<u>90,000</u>	<u>(50,000)</u>	<u>874,000</u>

Group loans include an additional unsecured balance of £10,000, advanced in the current year, which is attributable to Mr M Hutchins.

**The Mereside Education Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**27 Controlling party and ultimate controlling party**

The controlling party and ultimate controlling party of the Charity and the Group is the Board of Trustees of The Mereside Education Trust.



**The Mereside Education Trust**  
**Additional information**  
**for the year ended 31 Dec 2020**  
*(Does not form part of the financial statements)*

**1 OneSchool Global UK**

On 31 August 2019 the Charity transferred its primary operations to OneSchool Global UK (registered charity number 10763413), "OSG". Under the terms of the associated transfer agreement, the "Agreement", The Mereside Education Trust, "MET" incurred the following expenditure:

	Year ended 31 Dec 2020	Year ended 31 Dec 2019 £
Transferral of cash balances	-	57,862
Contractual payment of post transfer third party donations	9,627	-
Contractual payment of post transfer subsidiary income	220,000	75,000
	<u>229,627</u>	<u>132,862</u>

Included within prepayments and accrued income is £4,173 overpaid to OSG under the terms of the Agreement. This is made up as follows:

	£
Net book value of fixtures, fittings & equipment at date of transfer	192,879
Transferral of cash balances	(57,862)
Post transfer net school fee income attributable to OSG	
Gross fees invoiced	(411,597)
Fee waivers	71,785
CAP deducted	39,000
Agency debtor adjustment	<u>30,487</u>
	(270,325)
Contractual payment of post transfer subsidiary income	(295,000)
Contractual payment of post transfer third party donations	(15,227)
Other adjustments	
Costs incurred by MET to be recharged to OSG	29,015
Costs incurred by OSG to be recharged to MET	(10,857)
Income received by MET to be refunded to OSG	(16,563)
Income received by OSG to be refunded to MET	<u>8,173</u>
	9,768
Payments made by MET to OSG	439,940
Overpayment to carry forward at 31 December 2020	<u>4,173</u>