

REGISTERED CHARITY NUMBER: 1057370

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

EASTBROOK EDUCATION TRUST

EASTBROOK EDUCATION TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2021

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EASTBROOK EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021

Registered charity number

1057370

Principle address

7 Eastbrook Road
Gloucester
Gloucestershire
GL4 3DB

Trustees

B Freeman
N Freeman (resigned on 24 February 2022)
C Haughton
G Knappett (resigned on 24 February 2022)
D Pomeroy
G Tomkins
A Trigwell

Auditors

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

Bank

19 Eastgate Street
Gloucester
GL1 1NU

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2021**

The trustees present their report with the financial statements of the charity for the year ended 31st December 2021. 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 from ages five to eighteen in particular by assistance to their parents to enable such children to be taught otherwise than as school as defined in the Education Acts and any other charitable purpose for the benefit of the worldwide Christian fellowship known as the Plymouth Brethren Christian Church.

Activities

In furtherance of its objects, the charity provides two premises under formal lease for an independent school based in Eastbrook Road, Gloucester, which has been run by OneSchool Global UK (OSGUK).

The charity also provides grant funding and other financial support to OSGUK at the discretion of the trustees in order to enable OSGUK to provide a well balanced education at primary and secondary levels, for children and young people whose parents appreciate the Christian ethos.

Success is measured in terms of the provision of appropriate facilities to OSGUK whilst minimising expenditure. This in turn, frees up funds for raising standards of education for all concerned and for the improvement of facilities for pupils and staff alike.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have regard to it when reviewing their aims and objectives, and in planning their future activities. In particular they consider how planned activities will contribute to the educational aims and objectives they have set.

Volunteers

Volunteers are an integral part of the community ethos and values of the charity and there are strong and willing group of volunteers who assist and support the charity throughout the year.

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

Significant activities

Throughout the year the charity has continued to provide educational premises in support of the educational activities of OSGUK.

The charity has a wholly owned subsidiary company, Spectrum Products Ltd (Company Registration No. - 06333795) which undertakes trading activities. All profits chargeable to corporation tax are gifted to the charity in support of the charitable activities of the charity.

Significant post year end events

In April 2022 the charity acquired a site at Gloucester Road, Tewkesbury, Gloucestershire on which work is commencing to provide one site on which primary and secondary schooling can take place. It is intended that this site will open in September 2023.

FINANCIAL REVIEW

Principal funding sources

The charity's primary source of income is from the trading activities of its subsidiary Spectrum Products (UK) Limited. The majority of the customer base of Spectrum Products (UK) Limited are local members of the Plymouth Brethren Christian Church.

Financial position

In the year the charity reported a net deficit of £84,383 (2020 - deficit of £126,926). The group reported a net surplus of £51,013 (2020 - surplus of £49,841).

At the year end the charity had net current liabilities of £194,900 (2020 - £263,349). The group had net liabilities of £482,678 (2020 - £417,387).

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

The charity is supported and financed principally by profits from its trading subsidiary Spectrum Products Ltd (Company Registration No: 06333795) plus other ad hoc donations and those raised by fundraising events and post year end grants from the Grace Trust. The trustees believe that the charity's funds are sufficient to mitigate any short to medium term risk of reduced funding.

Reserves policy

The trustees' policy is to maintain minimum free reserves of the charity at a level which equates to six months' unrestricted expenditure. This is approximately £55,500 based on next year's budget. At the year end the charity had free reserves of the charity was £138,895 (2020 - £86,308), with the increase in retained reserves at the end of the current year due to funds needed for the post year end purchase of additional school land and buildings.

The charity also had at the year end restricted reserves of £926,623 (2020 - £1,063,593), of which £870,616 (2020 - £886,550) was held in fixed assets.

The charity's trading subsidiary delays distributing taxable profits to the charity by up to 9 months in order to hold a reserve of up to 3 months of expenditure. This is done as to mitigate the effects to both the charity and the group should the trading subsidiary suffer a significant future loss (as the trading subsidiary is the charity's primary source of funding). Total expenditure of the trading subsidiary in the year was £1,530,248 (2020 - £1,033,568) and 3 months expenditure for the current year is approximately £380,000 (2020 - £260,000). At the year end the group had free reserves of £426,671 (2020 - £240,344), of which £287,777 (2020 - £154,039) related to the trading subsidiary. Although this is slightly higher than the level calculated this is seen only as a timing difference and mainly due to a significant increase in trading seen following the lifting of Covid-19 lockdown part way through the year.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

FUTURE PLANS

The trustees plan to continue to support OSGUK to provide a quality and deliver a consistent and high level of educational experience and outcome for all students and staff, in accordance with the charity's ethos and values.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Eastbrook Education Trust is constituted by a Deed of Trust dated 25th June 1996 and is registered with the Charity Commission for England and Wales.

Recruitment and appointment of trustees

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 (including 2 trustees who resigned after the year end) 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.

EASTBROOK EDUCATION TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

Approach to fundraising

The charity's fundraising events principally operate within the Brethren community and professional fundraisers are not used. Neither the charity nor any person acting on behalf of the Trust was subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or voluntary standard for fund-raising in respect of activities on behalf of the charity.

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.

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 5.01.2023 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 2021

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 2021 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 2021 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

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.

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.

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 2021

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 2021**

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: 05/01/2023

EASTBROOK EDUCATION TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

				Year Ended 31 December 2021	Year Ended 31 December 2020 (Restated)
	Note	Unrestricted Fund £	Restricted Fund £	Total Funds £	Total Funds £
INCOME FROM:					
Donations and legacies	2	25,279	-	25,279	30,111
Charitable activities	3	5,000	-	5,000	5,000
Other trading activities	4	2,081,388	-	2,081,388	1,416,782
TOTAL INCOME		2,111,667	-	2,111,667	1,451,893
EXPENDITURE ON:					
Raising funds	6	1,674,187	-	1,674,187	1,141,715
Charitable activities	7				
- Property management		75,403	136,970	212,373	262,955
- Grants issued to OneSchool Global UK		174,094	-	174,094	(2,618)
TOTAL EXPENDITURE		1,923,684	136,970	2,060,654	1,402,052
NET INCOME/(EXPENDITURE)		187,983	(136,970)	51,013	49,841
TRANSFERS BETWEEN FUNDS		-	-	-	-
NET MOVEMENT IN FUNDS		187,983	(136,970)	51,013	49,841
TOTAL FUNDS					
Brought forward		263,073	1,063,593	1,326,666	1,276,825
Carried forward	21	451,056	926,623	1,377,679	1,326,666

EASTBROOK EDUCATION TRUST

INDIVIDUAL PARENT STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

				Year Ended 31 December 2021	Year Ended 31 December 2020 (Restated)
	Note	Unrestricted Fund £	Restricted Fund £	Total Funds £	Total Funds £
INCOME FROM:					
Donations and legacies	2	1,604	-	1,604	4,486
Charitable activities	3	5,000	-	5,000	5,000
Investment income	5	290,594	-	290,594	228,000
TOTAL INCOME		<u>297,198</u>	<u>-</u>	<u>297,198</u>	<u>237,486</u>
EXPENDITURE ON:					
Charitable activities	7				
- Property management		70,517	136,970	207,487	255,475
- Grants issued to OneSchool Global UK		174,094	-	174,094	108,937
TOTAL EXPENDITURE		<u>244,611</u>	<u>136,970</u>	<u>381,581</u>	<u>364,412</u>
NET INCOME/(EXPENDITURE)		<u>52,587</u>	<u>(136,970)</u>	<u>(84,383)</u>	<u>(126,926)</u>
TRANSFERS BETWEEN FUNDS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>52,587</u>	<u>(136,970)</u>	<u>(84,383)</u>	<u>(126,926)</u>
TOTAL FUNDS					
Brought forward		<u>86,308</u>	<u>1,063,593</u>	<u>1,149,901</u>	<u>1,276,827</u>
Carried forward	21	<u>138,895</u>	<u>926,623</u>	<u>1,065,518</u>	<u>1,149,901</u>

EASTBROOK EDUCATION TRUST

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021

		Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	14	525,001	539,279	500,616	516,550
Social investment in property	15	370,000	370,000	370,000	370,000
Investments	16	-	-	2	2
		<u>895,001</u>	<u>909,279</u>	<u>870,618</u>	<u>886,552</u>
CURRENT ASSETS					
Stocks	17	176,068	191,726	-	-
Debtors	18	169,658	55,878	5,957	5,337
Cash at bank and in hand		<u>419,981</u>	<u>333,087</u>	<u>295,571</u>	<u>273,612</u>
		<u>765,707</u>	<u>580,691</u>	<u>301,528</u>	<u>278,949</u>
LIABILITIES					
Amounts falling due within one year	19	(283,029)	(163,304)	(106,628)	(15,600)
NET CURRENT ASSETS		<u>482,678</u>	<u>417,387</u>	<u>194,900</u>	<u>263,349</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,377,679</u>	<u>1,326,666</u>	<u>1,065,518</u>	<u>1,149,901</u>
PROVISIONS FOR LIABILITIES	20	-	-	-	-
NET ASSETS		<u>1,377,679</u>	<u>1,326,666</u>	<u>1,065,518</u>	<u>1,149,901</u>
FUNDS	21				
Unrestricted Funds		451,056	263,073	138,895	86,308
Restricted Funds		<u>926,623</u>	<u>1,063,593</u>	<u>926,623</u>	<u>1,063,593</u>
		<u>1,377,679</u>	<u>1,326,666</u>	<u>1,065,518</u>	<u>1,149,901</u>

The financial statements were approved by the Board of Trustees on 5.01.2023 and were signed by on its behalf by:

B Freeman - Trustee

EASTBROOK EDUCATION TRUST

CONSOLIDATED CASH FLOW STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes to the consolidated cash flow statement	Group 2021 £	Group 2020 (Restated) £
Cash flows from operating activities:			
Cash generated from operations	1	225,434	53,299
Cash collected as agent of OneSchool Global UK (see note 20)		5,407	276,433
Amounts paid to OneSchool Global UK in regard to amounts owing under the transfer agreement (see note 20)		(5,407)	(384,062)
Net cash provided by operating activities		225,434	(54,330)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(138,540)	(8,389)
Net cash used in investing activities		(138,540)	(8,389)
Change in cash and cash equivalents in the year		86,894	(62,719)
Cash and cash equivalents at the beginning of the year		333,087	395,806
Cash and cash equivalents at the end of the year	2	419,981	333,087

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

		Group 2021 £	Group 2020 (Restated) £
Net expenditure for the year <i>(as per the statement of financial activities)</i>		51,013	49,841
Adjustments for:			
Depreciation charges		152,818	195,803
Charge for the transfer of school activities to OneSchool Global UK (see note 20)	(see note 20)	-	(111,555)
(Increase)/decrease in stocks		15,658	(71,966)
(Increase)/decrease in debtors		(113,780)	4,980
Increase/(decrease) in creditors		119,725	(13,804)
Net cash provided by operating activities		225,434	53,299

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	333,087	86,894	419,981
	333,087	86,894	419,981

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021. 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

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.

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 2021**

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 2021**

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.

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.

Concessionary loans

Concessionary loans are measured at cost.

Foreign currencies

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

Provisions

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

Agency accounting

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

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021**

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 14 of the 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. Further details regarding the accounting treatment of the transfer agreement can be found in note 20 of these financial statements.

2 DONATIONS AND LEGACIES

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Donations	25,279	30,111	1,604	4,486
	<u>25,279</u>	<u>30,111</u>	<u>1,604</u>	<u>4,486</u>

Donated services

The subsidiary Spectrum Products (UK) Limited was last year provided free use of building space used by some of its stores, as well as from November 2021 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 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Building service charge income	5,000	5,000	5,000	5,000
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

4 INCOME FROM OTHER TRADING ACTIVITIES

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Convenience store sales	2,027,533	1,297,156	-	-
Commission income	5,105	79,026	-	-
Rental income	48,750	40,600	-	-
	<u>2,081,388</u>	<u>1,416,782</u>	<u>-</u>	<u>-</u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021**

5 INVESTMENT INCOME

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Gift aid distributions received from subsidiary	-	-	290,594	228,000
	-	-	290,594	228,000

6 RAISING FUNDS EXPENDITURE

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Convenience store stock purchases	1,530,248	1,033,508	-	-
Rent	43,577	36,673	-	-
Rates and utilities	35,261	7,762	-	-
Equipment hire	4,916	2,998	-	-
Insurance	4,554	1,860	-	-
Telephone	3,857	4,502	-	-
Property maintenance	11,059	14,406	-	-
Bad debts	159	(176)	-	-
Bank and card charges	8,599	11,115	-	-
Depreciation	15,849	14,977	-	-
Sundry	16,108	14,090	-	-
	1,674,187	1,141,715	-	-

7 CHARITABLE ACTIVITIES COSTS

		Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
		£	£	£	£
Direct costs	(see note 8)	64,317	63,700	64,317	63,700
Grants issued	(see note 9)	174,094	(2,618)	174,094	108,937
Support costs	(see note 10)	148,056	199,255	143,170	191,775
		386,467	260,337	381,581	364,412

8 DIRECT COSTS

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Property management activities				
Books and stationery	10	1,058	10	1,058
Rent	53,500	48,233	53,500	48,233
Building insurance	5,709	9,245	5,709	9,245
Vehicle leasing costs	2,178	3,266	2,178	3,266
Transport costs	459	564	459	564
Sundry	2,461	1,334	2,461	1,334
	64,317	63,700	64,317	63,700

EASTBROOK EDUCATION TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****9 GRANTS ISSUED**

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Grants issued to OneSchool Global UK				
- as part of transfer of school activities (see note 20)	-	(111,555)	-	-
- funded out of trading income	174,094	108,937	174,094	108,937
	174,094	(2,618)	174,094	108,937

10 SUPPORT COSTS

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Accountancy fees	11,087	12,280	6,200	4,800
Depreciation	136,969	180,825	136,970	180,825
Rates and utilities	-	4,275	-	4,275
Property maintenance	-	1,875	-	1,875
	148,056	199,255	143,170	191,775

11 NET INCOME / (EXPENDITURE) CHARGES

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

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Operating lease income	(48,750)	(40,600)	-	-
Operating lease expenditure	104,171	91,170	55,678	51,499
Depreciation	152,818	195,803	136,970	180,825
Provision movement for future amounts payable to OneSchool Global UK (see note 20)	-	(111,555)	-	-
Bad debts	159	33,744	-	-
Auditor's remuneration - audit fee	7,200	12,250	7,200	4,800
Auditor's remuneration - other services	500	30	-	-

12 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES**Staff costs**

There were no employees in either the current or comparative years.

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 none of the trustees were reimbursed expenses (2020 - 1 trustee was reimbursed expenses totalling £745).

EASTBROOK EDUCATION TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****13 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED**

These figures have been restated (see note 26).

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2020 £
INCOME FROM:				
Donations and legacies	2	30,111	-	30,111
Charitable activities	3	5,000	-	5,000
Other trading activities	4	1,416,782	-	1,416,782
TOTAL INCOME		1,451,893	-	1,451,893
EXPENDITURE ON:				
Raising funds	6	1,141,715	-	1,141,715
Charitable activities	7			
- Property management		82,130	180,825	262,955
- Grants issued to OneSchool Global UK		(2,618)	-	(2,618)
TOTAL EXPENDITURE		1,221,227	180,825	1,402,052
NET INCOME/(EXPENDITURE)		230,666	(180,825)	49,841
TRANSFERS BETWEEN FUNDS		-	-	-
NET MOVEMENT IN FUNDS		230,666	(180,825)	49,841
TOTAL FUNDS				
Brought forward		32,407	1,244,418	1,276,825
Carried forward	21	263,073	1,063,593	1,326,666

COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - PARENT CHARITY

These figures have been restated (see note 26).

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2020 £
INCOME FROM:				
Donations and legacies	2	4,486	-	4,486
Charitable activities	3	5,000	-	5,000
Investment income	5	228,000	-	228,000
TOTAL INCOME		237,486	-	237,486
EXPENDITURE ON:				
Charitable activities	7			
- Property management		74,650	180,825	255,475
- Grants issued to OneSchool Global UK		108,937	-	108,937
TOTAL EXPENDITURE		183,587	180,825	364,412
NET INCOME/(EXPENDITURE)		53,899	(180,825)	(126,926)
TRANSFERS BETWEEN FUNDS		-	-	-
NET MOVEMENT IN FUNDS		53,899	(180,825)	(126,926)
TOTAL FUNDS				
Brought forward		32,409	1,244,418	1,276,827
Carried forward	21	86,308	1,063,593	1,149,901

EASTBROOK EDUCATION TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****14 TANGIBLE FIXED ASSETS - GROUP**

	Freehold improvements £	Leasehold improvements £	Motor vehicles £	Fixtures, fittings & equipment £	Totals £
COST					
At 1 January 2021	865,418	499,893	18,746	439,982	1,824,039
Additions	121,036	145	-	17,359	138,540
Disposals	-	(1,795)	(18,746)	(1,222)	(21,763)
At 31 December 2021	<u>986,454</u>	<u>498,243</u>	<u>-</u>	<u>456,119</u>	<u>1,940,816</u>
DEPRECIATION:					
At 1 January 2021	(378,629)	(499,237)	(18,266)	(388,628)	(1,284,760)
Charge for the year	(124,219)	(160)	(480)	(27,959)	(152,818)
Disposals	-	1,795	18,746	1,222	21,763
At 31 December 2021	<u>(502,848)</u>	<u>(497,602)</u>	<u>-</u>	<u>(415,365)</u>	<u>(1,415,815)</u>
NET BOOK VALUE:					
At 31 December 2021	<u>483,606</u>	<u>641</u>	<u>-</u>	<u>40,754</u>	<u>525,001</u>
At 31 December 2020	<u>486,789</u>	<u>656</u>	<u>480</u>	<u>51,354</u>	<u>539,279</u>

TANGIBLE FIXED ASSETS - PARENT CHARITY

	Freehold improvements £	Leasehold improvements £	Motor vehicles £	Fixtures, fittings & equipment £	Totals £
COST					
At 1 January 2021	865,418	498,044	18,746	376,128	1,758,336
Additions	121,036	-	-	-	121,036
Disposals	-	-	(18,746)	-	(18,746)
At 31 December 2021	<u>986,454</u>	<u>498,044</u>	<u>-</u>	<u>376,128</u>	<u>1,860,626</u>
DEPRECIATION:					
At 1 January 2021	(378,629)	(498,044)	(18,266)	(346,847)	(1,241,786)
Charge for the year	(124,219)	-	(480)	(12,271)	(136,970)
Disposals	-	-	18,746	-	18,746
At 31 December 2021	<u>(502,848)</u>	<u>(498,044)</u>	<u>-</u>	<u>(359,118)</u>	<u>(1,360,010)</u>
NET BOOK VALUE:					
At 31 December 2021	<u>483,606</u>	<u>-</u>	<u>-</u>	<u>17,010</u>	<u>500,616</u>
At 31 December 2020	<u>486,789</u>	<u>-</u>	<u>480</u>	<u>29,281</u>	<u>516,550</u>

15 SOCIAL INVESTMENT IN PROPERTY

	Freehold property £
COST	
At 1st January 2021 and 31st December 2021	<u>370,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>370,000</u>
At 31 December 2020	<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 2021**

16 FIXED ASSET INVESTMENTS - PARENT CHARITY

	Shares in subsidiary £
COST	
At 1st January 2021 and 31st December 2021	<u><u>2</u></u>
NET BOOK VALUE	
At 31 December 2021	<u><u>2</u></u>
At 31 December 2020	<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:

	2021 £	2020 £
Tangible fixed assets	24,385	22,728
Stocks	176,068	191,726
Debtors	163,702	50,541
Cash at bank	124,410	59,476
Creditors	<u>(176,403)</u>	<u>(147,704)</u>
	<u><u>312,162</u></u>	<u><u>176,767</u></u>
 Issued share capital	 2	 2
Retained earnings	<u><u>312,160</u></u>	<u><u>176,765</u></u>
	<u><u>312,162</u></u>	<u><u>176,767</u></u>

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

	2021 £	2020 £
Turnover	2,032,640	1,376,182
Cost of sales	(1,530,248)	(1,033,568)
Administrative expenses	(148,828)	(115,627)
Other operating income	72,425	66,225
Net profit	<u><u>425,989</u></u>	<u><u>293,212</u></u>
Gift aid distribution to the parent charity	(290,594)	(228,000)
Net movement in retained earnings	<u><u>135,395</u></u>	<u><u>65,212</u></u>

Prior year adjustment relating to Spectrum Products (UK) Limited

The 2020 figures for Spectrum Products (UK) Limited have been restated as follows:

- Gift aid distribution to the parent charity is recognised on a cash basis (previously recognised in line with the corporation tax declaration). The 2020 figures have been amended to reduce the intercompany creditor by £176,734, increasing retained earnings brought forward by £111,522 and reducing gift aid distribution for the year by £65,212.
- Concessionary loans of £20,000 received in 2018 had previously been incorrectly accounted for as donations received (reported as income in Eastbrook Education Trust via the intercompany loan account). The 2020 figures have been amended to reduce the intercompany creditor by £20,000 and including other creditors of £20,000.

See note 26 for further details.

EASTBROOK EDUCATION TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****17 STOCKS**

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Convenience store goods held for resale	176,068	191,726	-	-
	176,068	191,726	-	-

18 DEBTORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Trade debtors	138,255	36,597	-	-
Prepayments	31,403	19,281	5,957	5,337
	169,658	55,878	5,957	5,337

19 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Trade creditors	208,376	87,244	99,335	-
Social security and other taxation	20,791	18,362	-	-
Other creditors	20,333	13,531	-	-
Concessionary loans	20,000	20,000	-	-
Accruals	13,529	24,167	7,293	15,600
	283,029	163,304	106,628	15,600

20 PROVISIONS**Amounts payable to OneSchool Global UK under the transfer agreement**

During 2019 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.

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 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.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021**

20 PROVISIONS (continued)

Also under the transfer agreement, other than computer equipment which was transferred to OneSchool Global UK on 31 July 2020 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 2021 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 2020 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 2020 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.

OneSchool Global UK has provided assurances that they have waived their rights to amounts receivable from the charity under the transfer agreement. The date of effect of this waiver was backdated to 31 December 2020.

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

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Amount recognised in the Statement Of Financial Activities in regard to the provision for future amounts payable to OneSchool Global UK	-	(111,555)	-	-
	<u>-</u>	<u>(111,555)</u>	<u>-</u>	<u>-</u>

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

	Group 2021	Group 2020 (Restated)	Parent 2021	Parent 2020 (Restated)
	£	£	£	£
Opening balance as at 1 January 2021	-	219,184	-	107,629
Amount recognised in the Statement Of Financial Activities in regard to the provision for future amounts payable to OneSchool Global UK	-	(111,555)	-	-
Plus bank receipts that relate to OneSchool Global UK trade debtors received as agent	5,407	276,433	5,407	276,433
Less payments on account made to OneSchool Global UK	(5,407)	(384,062)	(5,407)	(384,062)
Closing balance as at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

21 MOVEMENT IN FUNDS - GROUP

	As at 1 January 2021 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2021 £
Unrestricted funds					
General fund	263,073	2,111,667	(1,923,684)	-	451,056
	<u>263,073</u>	<u>2,111,667</u>	<u>(1,923,684)</u>	<u>-</u>	<u>451,056</u>
Restricted funds					
Capital fund	1,063,593	-	(136,970)	-	926,623
	<u>1,063,593</u>	<u>-</u>	<u>(136,970)</u>	<u>-</u>	<u>926,623</u>
	<u>1,326,666</u>	<u>2,111,667</u>	<u>(2,060,654)</u>	<u>-</u>	<u>1,377,679</u>

Movement in funds for the comparative year (as restated) was as follows:

	As at 1 January 2020 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2020 £
Unrestricted funds					
General fund	32,407	1,451,893	(1,221,227)	-	263,073
	<u>32,407</u>	<u>1,451,893</u>	<u>(1,221,227)</u>	<u>-</u>	<u>263,073</u>
Restricted funds					
Capital fund	1,244,418	-	(180,825)	-	1,063,593
	<u>1,244,418</u>	<u>-</u>	<u>(180,825)</u>	<u>-</u>	<u>1,063,593</u>
	<u>1,276,825</u>	<u>1,451,893</u>	<u>(1,402,052)</u>	<u>-</u>	<u>1,326,666</u>

MOVEMENT IN FUNDS - PARENT CHARITY

	As at 1 January 2021 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2021 £
Unrestricted funds					
General fund	86,308	297,198	(244,611)	-	138,895
	<u>86,308</u>	<u>297,198</u>	<u>(244,611)</u>	<u>-</u>	<u>138,895</u>
Restricted funds					
Capital fund	1,063,593	-	(136,970)	-	926,623
	<u>1,063,593</u>	<u>-</u>	<u>(136,970)</u>	<u>-</u>	<u>926,623</u>
	<u>1,149,901</u>	<u>297,198</u>	<u>(381,581)</u>	<u>-</u>	<u>1,065,518</u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021**

21 MOVEMENT IN FUNDS (continued)

Movement in funds for the comparative year (as restated) was as follows:

	As at 1 January 2020 £	Incoming resources £	Resources expended £	Transfer between funds £	As at 31 December 2020 £
Unrestricted funds					
General fund	32,409	237,486	(183,587)	-	86,308
	<u>32,409</u>	<u>237,486</u>	<u>(183,587)</u>	<u>-</u>	<u>86,308</u>
Restricted funds					
Capital fund	1,244,418	-	(180,825)	-	1,063,593
	<u>1,244,418</u>	<u>-</u>	<u>(180,825)</u>	<u>-</u>	<u>1,063,593</u>
	<u>1,276,827</u>	<u>237,486</u>	<u>(364,412)</u>	<u>-</u>	<u>1,149,901</u>

RESTRICTED FUNDS

Capital Fund

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.

NET ASSETS HELD BY EACH FUND - GROUP

	2021 Unrestricted funds	2021 Restricted funds	2021 Total funds	2020 Unrestricted funds	2020 Restricted funds	2020 Total funds
Tangible fixed assets	24,385	500,616	525,001	22,729	516,550	539,279
Social investment in property	-	370,000	370,000	-	370,000	370,000
Stocks	176,068	-	176,068	191,726	-	191,726
Debtors	169,658	-	169,658	55,878	-	55,878
Cash	363,974	56,007	419,981	156,044	177,043	333,087
Creditors	(283,029)	-	(283,029)	(163,304)	-	(163,304)
	<u>451,056</u>	<u>926,623</u>	<u>1,377,679</u>	<u>263,073</u>	<u>1,063,593</u>	<u>1,326,666</u>

NET ASSETS HELD BY EACH FUND - PARENT CHARITY

	2021 Unrestricted funds	2021 Restricted funds	2021 Total funds	2020 Unrestricted funds	2020 Restricted funds	2020 Total funds
Tangible fixed assets	-	500,616	500,616	-	516,550	516,550
Social investment in property	-	370,000	370,000	-	370,000	370,000
Fixed asset investments	2	-	2	2	-	2
Debtors	5,957	-	5,957	5,337	-	5,337
Cash	239,564	56,007	295,571	96,569	177,043	273,612
Creditors	(106,628)	-	(106,628)	(15,600)	-	(15,600)
	<u>138,895</u>	<u>926,623</u>	<u>1,065,518</u>	<u>86,308</u>	<u>1,063,593</u>	<u>1,149,901</u>

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021**

22 LEASING ARRANGEMENTS

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

	Group 2021 £	Group 2020 £	Parent 2021 £	Parent 2020 £
Within one year	21,916	19,916	-	-
Between one and five years	2,048	6,964	-	-
	<u>23,964</u>	<u>26,880</u>	<u>-</u>	<u>-</u>

After the year end the charity entered into an operating lease for 18 months from 1 February 2022 for £50,000 per year.

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.

23 RELATED PARTY TRANSACTIONS

Transactions with trustees

During the year the group received convenience store income from trustees totalling £75,364 (2020 - £52,307). At the year end the group had convenience store trade debtors due from trustees totalling £1,196 (2020 - £202).

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

During the year the group paid costs to companies with at least one of the trustees is a director and shareholder of totalling £2,877 (2020 - £3,024). At the year end the charity owed these companies a total of £nil (2020 - £57).

During the year the group received from such companies convenience store income totalling £75,195 (2020 - £31,689) and other income totalling £6,904 (2020 - £3,150). At the year end the group had trade debtors due from trustees totalling £11,799 (2020 - £6,219).

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 assist with the preparation of the financial statements and also to prepare and submit returns to the tax authorities for Spectrum Products (UK) Limited.

25 SIGNIFICANT POST YEAR END EVENTS

In April 2022 the Trust acquired a site at Gloucester Road, Tewkesbury, Gloucestershire on which work is commencing to provide one site on which primary and secondary schooling can take place. It is intended that this site will open in September 2023.

EASTBROOK EDUCATION TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021**

26 PRIOR YEAR ADJUSTMENTS

Concessionary loans

Concessionary loans of £20,000 received in 2018 by Spectrum Products (UK) Limited had previously been incorrectly accounted for as donations received by Eastbrook Education Trust (via the intercompany loan account). The 2020 figures have been amended to reduce the intercompany debtor by £20,000 in the charity and including the loan balance in the group and reducing unrestricted funds brought forward by £20,000 in both the charity and the group.

Treatment of Transfer agreement with OneSchool Global UK

OneSchool Global UK has provided assurances that they have waived their rights to amounts receivable from the charity under the transfer agreement. The date of effect of this waiver was backdated to 31 December 2020. The comparatives have been restated to remove the provision for liability that arose under this agreement and increase unrestricted funds by £248,996 in both the charity and the group.

Point of recognition of gift aid distribution receivable from Spectrum Products (UK) Limited

Gift aid distribution receivable from Spectrum Products (UK) Limited is recognised on a cash basis (previously recognised in line with the corporation tax declaration). The 2020 figures have been amended to reduce both the intercompany debtor and unrestricted funds by £176,734 in the charity (but not the group).