

Ealing Educational Resources Trust

Report and Financial Statements

31 Dec 2020

Charity number: 1057707

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## **Ealing Educational Resources Trust**

### **Legal and administrative information**

#### **Trustees**

Mr B F Abernethie	(appointed 14 January 2021)
Mr S P Barnes <sup>1</sup>	(resigned 14 January 2021)
Mr A Greenfield	(appointed 14 January 2021)
Mr S Hill <sup>1 2</sup>	
Mr C J Ker <sup>1 2</sup>	(resigned 6 March 2020)
Mr C D Parsons <sup>1 2</sup>	
Mr H B Robertson <sup>1</sup>	(resigned 14 January 2021)
Mr H Tennent	(appointed 14 January 2021)
Mr C A White <sup>1 2</sup>	

<sup>1</sup> Trustee holding title to freehold land and buildings at 401 Old Whitley Wood Lane, RG2 8QA

<sup>2</sup> Trustee holding title to freehold land and buildings at Cadmore End, HP14 3PQ

#### **Chief Executive Officer**

Mr C A White	(from 14 January 2021)
Mr H B Robertson	(until 14 January 2021)

#### **Principal address**

Amberley  
Wantage Road  
Harwell  
Oxfordshire  
OX11 0LL

#### **Auditor**

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

#### **Bankers**

Bank of Scotland	Barclays Bank Plc
38 St Andrew Square	Wembley and Park Royal
Edinburgh	Acorn House
EH2 2YR	36-38 Park Royal Road
	London
	NW10 7JA

## **Ealing Educational Resources Trust**

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

The Trustees of Ealing Educational Resources Trust present their annual report and audited accounts for the year ended 31 December 2020 and confirm they comply with the requirements of the Charities Act 2011, the Trust Deed, FRS102, and the Charities SORP (FRS 102).

#### **OBJECTIVES AND ACTIVITIES**

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.

In furtherance of its objects, the Trust provides two premises, at a nominal charge, for an independent school based in Reading (the "School"), which has been run by OneSchool Global UK ("OSG") from 1 November 2019 and previously by Fulmer Education Trust ("FET"). One of these is a freehold premises for primary pupils, and the other is a leased premises for secondary pupils which is classified as a programme related investment.

The Charity also provides grant funding and other financial support to OSG / FET in order to enable it to provide a well balanced education at primary and secondary levels, for young people whose parents appreciate the Christian ethos.

The immediate aim of the Trust is to maintain its two premises in Reading, with the longer term aim being to provide new premises which are better suited to the needs of the School.

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

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. In particular they consider how planned activities will contribute to the educational aims and objectives they have set. During the year these activities included the provision of £81,000 (2019: £nil) of grant funding to OSG, £79,575 of grant funding having been provided to FET in 2019.

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

#### **ACHIEVEMENTS AND PERFORMANCE**

Throughout the year the charity has continued to provide and maintain educational premises in Reading for use by OSG whilst continuing to seek better suited alternative premises.

The Charity has a wholly owned subsidiary company, Zest Trading UK Ltd ("Zest"), which undertakes trading activities. All profits chargeable to corporation tax are gifted to the Trust under a Deed of Covenant. During the current year, investment income from Zest has reduced as it undertook a program of reinvestment in its trading premises.

## **Ealing Educational Resources Trust**

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

#### **FINANCIAL REVIEW**

In the year ended 31 December 2020 the Charity reported a net deficit of £112,704 (2019: surplus of £20,649), leaving the total funds of the Charity at £6,330,148 (2019: £6,442,852). The Group reported a net deficit of £88,137 for the year ended 31 December 2020 (2019: surplus of £20,649), leaving the total funds of the Group at £6,354,715 (2019: £6,442,852). All funds are unrestricted.

The Charity reporting a net deficit for 2020 is principally due to reduced donations from Zest combined with ongoing significant costs associated with the leased site for secondary pupils.

The Trust is supported and financed principally by profits from its trading subsidiary, Zest, plus other ad hoc donations and those raised by fundraising events. The profitability of Zest and the size and frequency of fundraising events are the factors most likely to influence the financial performance and position of the Trust. The Trustees believe that the Charity's funds are sufficient to mitigate any short to medium term risk of reduced funding.

The Trust'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 Charity 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. The Trustees monitored the activities of those acting on behalf of the charity via the close community nature of the Plymouth Brethren Christian Church. No complaints were received about the Charity's fundraising activities and all participants were made aware of the requirement to protect vulnerable people and other members of the public.

The Trustees' policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £200,000. At 31 December 2020 the free reserves of the Charity were £3,587,928 (31 December 2019: £3,629,323) which far exceeds this target.

#### **PLANS FOR FUTURE PERIODS**

The Trustees plan to continue to maintain the Reading primary and secondary premises, and to seek expert QC's and planning consultants' advice regarding potential for the Cadmore End site. Other, more appropriate sites continue to be searched for.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Ealing Educational Resources Trust is constituted by a Deed of Trust dated 13 August 1996, amended 4 March 1997, 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 Charity in the year ended 31 December 2020 (year ended 31 December 2019: none). The power to appoint trustees is vested in the existing Trustees subject to the Trust Deed requirement. Trustees are selected according to their own specialism in a particular field, and are expected to pursue that specialism. New trustees are instructed in the need to completely adhere to the ethos of the Trust and the School.

Since the Government imposed a general lockdown in response to the global COVID-19 pandemic on 23 March 2020, virtual meetings have been held via Zoom. The Charity has no employees.

The Trustees have examined the major strategic, business and operational risks which the Charity faces. Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**Ealing Educational Resources 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 websites belonging to the Charity or Subsidiary. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by:

*A. Greenfield*

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Mr A Greenfield, Trustee

26th October 2021

Date

## **Report of the Independent Auditor To the Trustees of Ealing Educational Resources Trust**

### **Opinion**

I have audited the financial statements of Ealing Educational Resources Trust (the "Parent Charity") and its subsidiary (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 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.

### **Other matter**

I draw attention to the fact that the Group financial statements for the year ended 31 December 2019 are unaudited. 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.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent 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.

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

### **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.

## **Report of the Independent Auditor To the Trustees of Ealing Educational Resources Trust (continued)**

### **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 4, 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.

### **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.



**Report of the Independent Auditor  
To the Trustees of Ealing Educational Resources Trust  
(continued)**

**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.



26 October 2021

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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.*

**Ealing Educational Resources 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	3	-	-	-	6,322
Charitable activities	4	164,000	120,000	284,000	130,000
Other trading activities	5	987,275	-	987,275	831,845
Investment income	6	5,886	-	5,886	23,463
Other		1,535	-	1,535	544
<b>Total</b>		<b>1,158,696</b>	<b>120,000</b>	<b>1,278,696</b>	<b>992,174</b>
<b>Expenditure on:</b>					
Raising funds	7	746,998	-	746,998	494,144
Charitable activities	8	619,779	-	619,779	476,869
Other		56	-	56	512
<b>Total</b>		<b>1,366,833</b>	<b>-</b>	<b>1,366,833</b>	<b>971,525</b>
<b>Net income / (expenditure)</b>		<b>(208,137)</b>	<b>120,000</b>	<b>(88,137)</b>	<b>20,649</b>
Transfers between funds	18	120,000	(120,000)	-	-
<b>Net movement in funds</b>		<b>(88,137)</b>	<b>-</b>	<b>(88,137)</b>	<b>20,649</b>
Total funds brought forward	18	6,442,852	-	6,442,852	6,422,203
<b>Total funds carried forward</b>	<b>18</b>	<b>6,354,715</b>	<b>-</b>	<b>6,354,715</b>	<b>6,442,852</b>

There were no recognised gains and losses for the Group for the current or prior periods other than those included in the Statement of Financial Activities.

**Ealing Educational Resources 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	3	-	-	-	6,322
Charitable activities	4	164,000	120,000	284,000	130,000
Other trading activities	5	-	-	-	-
Investment income	6	111,762	-	111,762	275,924
Other		1,535	-	1,535	544
Total		277,297	120,000	397,297	412,790
<b>Expenditure on:</b>					
Charitable activities	8	509,945	-	509,945	391,629
Other		56	-	56	512
Total		510,001	-	510,001	392,141
<b>Net income / (expenditure)</b>		(232,704)	120,000	(112,704)	20,649
Transfers between funds	18	120,000	(120,000)	-	-
<b>Net movement in funds</b>		(112,704)	-	(112,704)	20,649
Total funds brought forward	18	6,442,852	-	6,442,852	6,422,203
<b>Total funds carried forward</b>	18	6,330,148	-	6,330,148	6,442,852

There were no recognised gains and losses for the Charity for the current or prior periods other than those included in the Statement of Financial Activities.

**Ealing Educational Resources 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>Fixed assets</b>	<b>Notes</b>				
Tangible assets	12	2,357,143	2,406,280	2,305,926	2,337,148
Investments	13	436,292	476,379	436,294	476,381
		<u>2,793,435</u>	<u>2,882,659</u>	<u>2,742,220</u>	<u>2,813,529</u>
<b>Current assets</b>					
Stocks	14	110,397	87,798	-	-
Debtors	15	66,613	51,661	98,743	155,832
Cash at bank and in hand		3,606,863	3,580,812	3,518,935	3,539,097
		<u>3,783,873</u>	<u>3,720,271</u>	<u>3,617,678</u>	<u>3,694,929</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(222,593)	(160,078)	(29,750)	(65,606)
<b>Net current assets</b>		<u>3,561,280</u>	<u>3,560,193</u>	<u>3,587,928</u>	<u>3,629,323</u>
<b>Total assets less current liabilities being total net assets</b>		<u>6,354,715</u>	<u>6,442,852</u>	<u>6,330,148</u>	<u>6,442,852</u>
<b>Funds</b>					
Restricted	18	-	-	-	-
Unrestricted	18	6,354,715	6,442,852	6,330,148	6,442,852
		<u>6,354,715</u>	<u>6,442,852</u>	<u>6,330,148</u>	<u>6,442,852</u>

Approved by the trustees and signed on their behalf by:

*A. Greenfield*

26th October 2021

Mr A Greenfield, Trustee

Date

**Ealing Educational Resources Trust**  
**Group cash flow statement for the year ended 31 December 2020**

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
<b>Cash flows from operating activities</b>		
Net (expenditure) / income	(88,137)	20,649
Adjustments for:		
Depreciation charges	61,674	40,938
Impairment of program related investment	118,989	34,027
Loss on disposal of fixed assets	-	1,264
Interest income shown in investing activities	(5,886)	(23,463)
Increase in stocks	(22,599)	(52,494)
Increase in debtors	(14,952)	(18,383)
Increase / (decrease) in creditors	12,515	(24,677)
Net cash provided by / (used in) operating activities	61,604	(22,139)
<b>Cash flows from investing activities</b>		
Interest and dividends	5,886	23,463
Purchase of fixed assets	(12,537)	(1,687,161)
Program related investment additions	(78,902)	(510,406)
Net cash used in investing activities	(85,553)	(2,174,104)
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	50,000	50,000
Net cash provided by financing activities	50,000	50,000
Change in cash and cash equivalents in the period	26,051	(2,146,243)
Cash and cash equivalents brought forward	3,580,812	5,702,131
<b>Cash and cash equivalents carried forward</b>	3,606,863	3,555,888
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	3,606,863	1,080,812
Three month notice Treasury Deposits	-	2,500,000
	3,606,863	3,580,812

**Ealing Educational Resources Trust**  
**Charity cash flow statement for the year ended 31 December 2020**

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £	
<b>Cash flows from operating activities</b>			
Net (expenditure) / income	(112,704)	20,649	
Adjustments for:			
Depreciation charges	31,222	34,546	
Impairment of program related investment	118,989	34,027	
Loss on disposal of fixed assets	-	13,290	
Interest income shown in investing activities	(5,886)	(23,463)	
Decrease / (increase) in debtors	57,089	(80,130)	
(Decrease) / increase in creditors	(35,856)	856	
	<hr/>	<hr/>	
Net cash provided by / (used in) operating activities	52,854	(225)	
	<hr/>	<hr/>	
<b>Cash flows from investing activities</b>			
Interest and dividends	5,886	23,463	
Purchase of fixed assets	-	(1,614,841)	
Program related investment additions	(78,902)	(510,406)	
	<hr/>	<hr/>	
Net cash used in investing activities	(73,016)	(2,101,784)	
	<hr/>	<hr/>	
Change in cash and cash equivalents in the period	(20,162)	(2,102,009)	
Cash and cash equivalents brought forward	3,539,097	5,641,106	
	<hr/>	<hr/>	
<b>Cash and cash equivalents carried forward</b>	3,518,935	3,539,097	
	<hr/>	<hr/>	
<b>Analysis of cash and cash equivalents</b>			
Cash in hand	3,518,935	1,039,097	
Three month notice Treasury Deposits	-	2,500,000	
	<hr/>	<hr/>	
	3,518,935	3,539,097	
	<hr/>	<hr/>	
<b>Analysis of changes in net debt</b>	<b>At start of year £</b>	<b>Cash flows £</b>	<b>At end of year £</b>
Cash in hand	1,039,097	2,479,838	3,518,935
Three month notice Treasury Deposits	2,500,000	(2,500,000)	-
	<hr/>	<hr/>	<hr/>
	3,539,097	(20,162)	3,518,935

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**1 Accounting policies**

**{a} Basis of preparation**

Ealing Educational Resources 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. 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. In furtherance of its objects, the Trust provides premises, at a peppercorn rental, for an independent school based in Reading (the "School"), which has been run by OneSchool Global UK ("OSG") from 1 November 2019 and previously by Fulmer Education Trust ("FET"). Both OSG and FET are registered charities (registered charity numbers 1181301 and 1065512 respectively).

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 Ealing Educational Resources Trust and its wholly owned subsidiary, Zest Trading UK 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.

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**1 Accounting policies (continued)**

**{d} Income recognition (continued)**

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 comprises income earned from 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.

**{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 comprise the cost of trading activities
- Expenditure on charitable activities comprises the costs of provision of school premises, grant payments, and associated support costs.

Grants payable to third parties are within the charitable objectives.

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 non educational premises' costs, administrative, professional and finance charges, and governance 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 9.

**{g} 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	2% straight line
Leasehold improvements	50% straight line
Fixtures, fittings & equipment	20% reducing balance

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



**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**1 Accounting policies (continued)**

**{h} Investments**

Fixed asset investments in subsidiaries are measured at cost less impairment. Social investments are those held to further charitable purposes and are also measured at cost less impairment.

**{i} 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.

**{j} Debtors and creditors receivable / payable within one year**

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.

**{k} Concessionary loans**

Concessionary loans include those payable to third parties which are interest free or below market interest rates and are made to advance charitable purposes.

**{l} 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.

**{m} 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.

**{n} Leases**

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

**{o} 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.

**{p} Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and believe that the budgeted income and expenditure is sufficient with the level of reserves for the Charity, and the Group, to be able to continue as a going concern.

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**2 COVID-19 and going concern**

The Trustees do not consider that the COVID-19 pandemic will have any significant adverse financial effect on the Group or Charity, or their ability to operate as going concerns, but an accurate estimate of the impact cannot be made.

**3 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	-	6,322	-	6,322

**4 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>
Rental income	164,000	130,000	164,000	130,000
Grant income	120,000	-	120,000	-
	<u>284,000</u>	<u>130,000</u>	<u>284,000</u>	<u>130,000</u>

The Charity allows OSG (formerly FET) to occupy its premises for a nominal charge. Rental income comprises the Trustees' estimate of the amount it would receive if OSG / FET was charged rent for these premises at the full market rate. Donations made (see note 8) include an amount which equals the excess of the full market rate over the amount actually charged.

All grant income is restricted, see note 18.

**5 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>
Other trading income	<u>987,275</u>	<u>831,845</u>	<u>-</u>	<u>-</u>

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**6 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	-	-	105,876	252,461
Bank interest	5,886	23,463	5,886	23,463
	<u>5,886</u>	<u>23,463</u>	<u>111,762</u>	<u>275,924</u>

Bank interest for the Charity and the Group includes £nil (2019: £1,097) in respect of a restricted fund.

**7 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	<u>746,998</u>	<u>494,144</u>	<u>-</u>	<u>-</u>

**8 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>* re-stated £</b>
Provision of school premises	243,537	124,793	243,537	124,793 *
Grants payable	81,000	79,575	81,000	79,575
Donations made	154,000	157,521	154,000	157,521
Total direct costs	<u>478,537</u>	<u>361,889</u>	<u>478,537</u>	<u>361,889</u>
Support costs	141,242	114,980	31,408	29,740 *
	<u>619,779</u>	<u>476,869</u>	<u>509,945</u>	<u>391,629</u>

Provision of school premises costs for the Charity for the year ended 31 December 2019 were previously reported within support costs. These costs have been reclassified to better reflect the activities of the Trust.

Grants payable for the year ended 31 December 2020 comprise amounts payable to OSG. Grants payable for the year ended 31 December 2019 comprise amounts payable to FET. The activities of both FET and OSG are in accordance with the charitable objects of Ealing Educational Resources Trust, being the advancement of the education of children and young people.

Donations made by the Charity include £154,000 (2019: £130,000) in respect of the waiver of full market rate rental charges for premises occupied by OSG / FET, see note 4.

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**9 Allocation of support costs**

All support costs are allocated to the provision of educational premises for the advancement of education of children and young people from the ages of eight to eighteen.

<b>Support cost</b>	<b>Group £</b>	<b>Charity £</b>
Non educational premises' costs	67,323	1,999
Non educational premises' depreciation and loss on disposals	53,365	22,913
Administrative costs	4,562	-
Professional charges	5,226	668
Finance charges	4,938	-
Governance costs	5,828	5,828
	<u>141,242</u>	<u>31,408</u>

**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 (2019: £nil). Expenses paid to the trustees in the period totalled £nil (2019: £nil). No donations (2019: £nil) were made to the charity by the Trustees. Further related party transactions are disclosed in note 21.

**11 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>
Depreciation of tangible fixed assets	61,674	52,572	31,222	34,546
Impairment of prog. related investment	118,989	34,027	118,989	34,027
Loss on disposal of fixed assets	-	14,554	-	13,290
Operating lease rentals	133,960	77,108	111,400	58,808
Audit fees	<u>5,750</u>	<u>4,750</u>	<u>5,750</u>	<u>4,750</u>

No other fees were paid to the auditor (2019: £nil).

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**12 Tangible fixed assets**

	<b>Group</b>				
	<b>Freehold land &amp; buildings £</b>	<b>Freehold improvements £</b>	<b>Leasehold improvements £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 Jan 2020	2,308,444	118,061	32,805	64,669	2,523,979
Additions	-	-	3,979	8,558	12,537
At 31 Dec 2020	<u>2,308,444</u>	<u>118,061</u>	<u>36,784</u>	<u>73,227</u>	<u>2,536,516</u>
<b>Depreciation</b>					
At 1 Jan 2020	78,926	10,431	10,745	17,597	117,699
Charge for year	28,861	2,361	16,728	13,724	61,674
At 31 Dec 2020	<u>107,787</u>	<u>12,792</u>	<u>27,473</u>	<u>31,321</u>	<u>179,373</u>
<b>Net book value</b>					
At 31 Dec 2020	<u>2,200,657</u>	<u>105,269</u>	<u>9,311</u>	<u>41,906</u>	<u>2,357,143</u>
At 31 Dec 2019	<u>2,229,518</u>	<u>107,630</u>	<u>22,060</u>	<u>47,072</u>	<u>2,406,280</u>

  

	<b>Charity</b>				
	<b>Freehold land &amp; buildings £</b>	<b>Freehold improvements £</b>	<b>Leasehold improvements £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 Jan 2020	2,308,444	118,061	-	-	2,426,505
Additions	-	-	-	-	-
At 31 Dec 2020	<u>2,308,444</u>	<u>118,061</u>	<u>-</u>	<u>-</u>	<u>2,426,505</u>
<b>Depreciation</b>					
At 1 Jan 2020	78,926	10,431	-	-	89,357
Charge for year	28,861	2,361	-	-	31,222
At 31 Dec 2020	<u>107,787</u>	<u>12,792</u>	<u>-</u>	<u>-</u>	<u>120,579</u>
<b>Net book value</b>					
At 31 Dec 2020	<u>2,200,657</u>	<u>105,269</u>	<u>-</u>	<u>-</u>	<u>2,305,926</u>
At 31 Dec 2019	<u>2,229,518</u>	<u>107,630</u>	<u>-</u>	<u>-</u>	<u>2,337,148</u>

Included within freehold land and buildings for the Charity and the Group is land of £865,354 (2019: £865,354) which has not been depreciated.

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**13 Investments**

	<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>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment in Zest Trading UK Ltd	-	-	2	2
Programme related investment	436,292	476,379	436,292	476,379
	<u>436,292</u>	<u>476,379</u>	<u>436,294</u>	<u>476,381</u>

The Charity owns 100% of the share capital of Zest Trading UK Ltd, a company registered in England and Wales (Reg No 06357796). Zest Trading UK Ltd undertakes general trading in order to raise funds for the Charity which are then gifted under a binding Deed of Covenant. The following results for Zest Trading UK Ltd have been included in the consolidated financial statements of Ealing Educational Resources Trust.

	<b>Year ended 31 Dec 2020</b>	<b>Year ended 31 Dec 2019</b>
	<b>£</b>	<b>£</b>
Trading income	987,275	831,845
Trading costs	(746,998)	(494,144)
Other costs	(109,834)	(85,240)
Operating profit	130,443	252,461
Donation to Ealing Educational Resources Trust (note 6)	(105,876)	(252,461)
Profit for the financial year	<u>24,567</u>	<u>-</u>

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>£</b>	<b>£</b>
Assets	289,149	220,645
Liabilities	(264,580)	(220,643)
Capital and reserves	(2)	(2)
	<u>24,567</u>	<u>-</u>

The programme related investment comprises the refurbishment and repurposing costs of a leased site in Reading. The costs are being impaired over the lease period of five years. In accordance with its charitable objects, the Charity has sublet the premises to OSG for a nominal rental for the purposes of running a secondary school. Movements on the balance are as follows:

	<b>£</b>
<b>Cost</b>	
At 1 Jan 2020	510,406
Additions	78,902
At 31 Dec 2020	<u>589,308</u>
<b>Impairment</b>	
At 1 Jan 2020	34,027
Charge for year	118,989
At 31 Dec 2020	<u>153,016</u>
<b>Carrying amount</b>	
At 31 Dec 2020	<u>436,292</u>
At 31 Dec 2019	<u>476,379</u>

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

14 Stocks	Group		Charity	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	£	£	£	£
Finished goods for resale	110,397	87,798	-	-

15 Debtors	Group		Charity	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	£	£	£	£
Trade debtors	36,105	22,000	-	-
Amounts due from subsidiary co.	-	-	71,737	126,171
Prepayments and accrued income	24,519	24,315	24,519	24,315
Other debtors	5,989	5,346	2,487	5,346
	<u>66,613</u>	<u>51,661</u>	<u>98,743</u>	<u>155,832</u>

No debtors are due after more than one year.

16 Creditors: amounts falling due within one year	Group		Charity	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	£	£	£	£
Concessionary loans	100,000	50,000	-	-
Payments received on account	21,456	9,080	-	-
Trade creditors	48,971	89,171	-	56,854
Accruals and deferred income	40,150	8,931	29,750	8,752
Taxation & social security	1,296	458	-	-
Other creditors	10,720	2,438	-	-
	<u>222,593</u>	<u>160,078</u>	<u>29,750</u>	<u>65,606</u>

Payments received on account comprise payments received from customers for contracts that were not complete at the year end and so not recognised as income until the following year. Accruals and deferred income at 31 December 2020 includes £10,400 received for an advertising campaign which did not take place until the year ending 31 December 2021.

17 Concessionary loans	Group	Charity
	£	£
At 1 January 2020	50,000	-
Loans advanced	50,000	-
At 31 December 2020	<u>100,000</u>	<u>-</u>

Concessionary loans comprise borrowing which has been made on an interest free basis or at below commercially available interest rates. All loans are unsecured.

**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**18 Summary of fund movements**

<b>Group</b>					
	<b>Fund balance b/f £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Fund balance c/f £</b>
<b>Unrestricted funds</b>					
General fund	6,442,852	1,158,696	(1,366,833)	120,000	6,354,715
<b>Restricted funds</b>					
The Quad	-	120,000	-	(120,000)	-
<b>Total funds</b>	<u>6,442,852</u>	<u>1,278,696</u>	<u>(1,366,833)</u>	<u>-</u>	<u>6,354,715</u>

<b>Charity</b>					
	<b>Fund balance b/f £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Fund balance c/f £</b>
<b>Unrestricted funds</b>					
General fund	6,442,852	277,297	(510,001)	120,000	6,330,148
<b>Restricted funds</b>					
The Quad	-	120,000	-	(120,000)	-
<b>Total funds</b>	<u>6,442,852</u>	<u>397,297</u>	<u>(510,001)</u>	<u>-</u>	<u>6,330,148</u>

The Quad fund income comprises a grant received in the year ended 31 December 2020 towards the refurbishment and repurposing costs of the leased premises in Reading incurred during the years ended 31 December 2019 and 31 December 2020. The fund transfer is in respect of programme related investment additions which have been purchased from this fund, but are held for general use.

**19 Analysis of net assets by fund**

<b>Group</b>			
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fixed assets	2,793,435	-	2,793,435
Current assets	3,783,873	-	3,783,873
Current liabilities	(222,593)	-	(222,593)
Fund balance	<u>6,354,715</u>	<u>-</u>	<u>6,354,715</u>

  

<b>Charity</b>			
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fixed assets	2,742,220	-	2,742,220
Current assets	3,617,678	-	3,617,678
Current liabilities	(29,750)	-	(29,750)
Fund balance	<u>6,330,148</u>	<u>-</u>	<u>6,330,148</u>



**Ealing Educational Resources Trust**  
**Notes forming part of the financial statements**  
**for the year ended 31 Dec 2020**

**20 Operating leases**

At 31 December there were outstanding commitments for future minimum lease payments under non-cancellable operating leases on premises as follows:

		<b>Group</b>	
		<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
		<b>£</b>	<b>£</b>
Not later than one year		82,460	102,460
Later than one year and not later than five years		21,580	101,540
		<u>104,040</u>	<u>204,000</u>

  

		<b>Charity</b>	
		<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
		<b>£</b>	<b>£</b>
Not later than one year		70,000	90,000
Later than one year and not later than five years		-	70,000
		<u>70,000</u>	<u>160,000</u>

**21 Related party transactions**

The programme related investment (see note 13) is in respect of a building owned by a group of companies of which Mr C Ker (Trustee until 6 March 2020) was a Director until 30 January 2020.

Grants, included within charitable expenditure for the year ended 31 December 2020, comprise amounts payable to OSG, a related party by virtue of the following: Mr W Burgess is a Director and Trustee of OSG and also a Director of Zest Trading UK Ltd, the wholly owned subsidiary of Ealing Educational Resources Trust. Mr W Burgess also has multiple family connections to the Trustees of Ealing Education Resources Trust. Mr C Parsons (Ealing Educational Resources Trust Trustee) is the brother-in-law of Mr J Rich, A Director and Trustee of OSG. Grants, included within charitable expenditure for the year ended 31 December 2019, comprise amounts payable to FET, a related party by virtue of the following: Mr T Parsons (FET Trustee) and Mr C Ker (Ealing Educational Resources Trust Trustee until 6 March 2020) are fellow directors of a company; Mr C D Parsons is a CA Team member of FET and also a Trustee of Ealing Educational Resources Trust.

During the years ended 31 December 2019 and 31 December 2020, unsecured concessionary loans were made to Zest Trading UK Ltd by Mrs Helen Brunsdon. These loans qualify as related party transactions as they were made by Mr J Silcock (Director of Zest Trading UK Ltd), on Mrs Brunsdon's behalf, under the authority granted to him by a Lasting Power of Attorney for Property and Financial Affairs. At 31 December 2020, the loan balance was £100,000 (31 December 2019: £50,000).

**22 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 Ealing Educational Resources Trust.