

THE MERESIDE EDUCATION TRUST

England & Wales · Charity number 1058933

Details

Other names	THE MERESIDE EDUATION TRUST, MERESIDE EDUCATION TRUST
Status	Registered
Legal form	Trust
Registered	1996-10-30
Register	View on the Charity Commission register

Contact

Address Mereside Education Trust
Hartford Manor
Greenbank Lane
Northwich
Cheshire
CW8 1HW

Phone 01606210320

Activities

Objects: 1)THE ADVANCEMENT OF THE EDUCATION OF CHILDREN AND YOUNG PEOPLE FROM AGES FIVE TO EIGHTEEN 2)ADVANCEMNT OF CHRISTIAN RELIGION

Activities: The advancement of the education of children and young people. The Trust operates an independent school based in Stockport, which educates pupils from seven to eighteen years of age.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Cheshire East
- Manchester City
- Stockport

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,116,310	£2,033,799	£2,382,341	0
2023-12-31	£4,567,201	£2,112,542	£-365,354	0
2022-12-31	£1,959,939	£2,039,561	£-2,820,013	0
2021-12-31	£1,513,990	£1,597,724	£-2,740,391	0
2020-12-31	£1,296,843	£2,089,069	£-1,566,936	1

Trustees

Name	Role	Appointed
KALVIN PIERS DEVENISH		2016-07-05
Lewis Justin Baldwin		2016-07-05
MR M HUTCHINS		2016-07-05
Nigel Roberts		2024-01-09
Sean McGrath		2024-01-09

THE MERESIDE EDUCATION TRUST

England & Wales - Charity number 1058933

Accounts

Charity registration number: 1058933

The Mereside Education Trust

Trustee' Report and Financial Statements

for the Year Ended 31 December 2024

mca Banbury Ltd
4 - 6 The Wharf Centre
Wharf Street
Warwick
Warwickshire
CV34 5LB

The Mereside Education Trust

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The Mereside Education Trust

Reference and Administrative Details

Trustees	Mr M Hutchins Mr K Devenish Mr Lewis Justin Baldwin Mr Nigel Roberts Mr Sean McGrath
Charity Registration Number	1058933
Principal Office	Mereside Education Trust c/o Hartford Manor Greenbank Lane Northwich CW8 1HW
Auditor	mca Banbury Ltd 4 - 6 The Wharf Centre Wharf Street Warwick Warwickshire CV34 5LB
Bankers	National Westminster Bank plc 23 Stamford New Road, Altrincham, Cheshire WA14 1DB

The Mereside Education Trust

Trustees' Report

The Trustees present their report with the financial statements of the charity for the year ended 31st December 2024. 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 (FRS102) (effective 1 January 2019).

Objectives and activities

Objects and aims

The charitable objects of the charity are the advancement of the education of children and young people from the ages five to eighteen in particular by assistance to their parents to enable such children to be taught otherwise than at school as defined in the education acts 1944 to 1993. Any other charitable purpose for the benefit of the brethren.

In furtherance of its objects, the Trust provides the premises under formal lease for an independent school based in Northwich, owned by its subsidiary Hartford Investments Ltd (Company number 10279969), 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.

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 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 Quanto Enterprise Ltd (Company Number 08068645), which operates a chain of convenience stores, are undertaken by volunteers.

The Mereside Education Trust

Trustees' Report

Achievements and performance

Financial review

The charity is supported and financed principally by profits from its trading subsidiary Quanto Enterprise Ltd plus other ad hoc donations and those raised by fundraising events and 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.

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 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 Trust.

In the year ended 31st December 2024 the charity reported a surplus of £154,323 (2023 surplus of £2,421,757). The group reported a surplus of £2,747,695 (2023 surplus of £2,454,659).

At the year end the charity had net current assets of £1,925,734 (2023 net current assets of £1,906,218). The group had net current assets of £166,681 (2023 net current assets of £182,402).

The site at Hartford Manor includes the School along with a cottage and surplus car park area. The Trustees believe that the disposal of the cottage and / or surplus car park could raise additional funds without causing major disruption to the operation of the school, although no potential buyer has yet been sought.

At 31 December 2024 the Trust had deficit funds. The long-term aim for the Trust has been to hold sufficient reserves to meet three month's operating costs and to have sufficient funds to repay its loans as required.

The Trust continues to have numerous offers of long-term loan support from "stakeholders" in the Trust (i.e.; graduated students and their parents or grandparents) which could be used to offset other loans requiring repayment. The Trustees hope to return to a net assets position by 2025.

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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

Aims and key objectives for future periods

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.

The Mereside Education Trust

Trustees' Report

Structure, governance and management

Nature of governing document

The Mereside Education Trust is constituted by a Deed of Trust dated 07 April 1995, amended 26 August 1996, 20 March 1997 and 18 December 2008 and is registered with the Charity Commission for England and Wales.

The Trustees who 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 31st December 2024 (year ended 31st December 2023 £nil).

The power to appoint Trustees is invested in the existing Trustees subject to the charity 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 and values of the charity.

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

Financial instruments

Objectives and policies

The Trustees have examined the major strategic, business and operational risks that the charity faces. 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.

The principal risks to the charity are:

- risk of damage to the property held by the charity (although the property holds property insurance);
- risk of closure or relocation of the schooling by OneSchool Global UK (considered unlikely); and
- risk of fall in trading activities of the wholly owned trading subsidiary, either due to a fall in customer loyalty or a significant increase in supplier prices (closely monitored by the trading subsidiary directors who would then take appropriate action).

There were no serious incidents relating to the charity over the year to report.

The Mereside Education Trust

Trustees' Report

Statement of trustees' responsibilities

The trustees are responsible for preparing the 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 and Wales 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 of the charitable group 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;
- 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 charity and group will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group 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 charity deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on **16 Sep 2025** and signed on its behalf by:

Kalvin Devenish

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Mr K Devenish
Trustee

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

Opinion

We have audited the financial statements of The Mereside Education Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 December 2024 and of its 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Our responsibilities and the responsibilities of the trustees 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 auditor's report 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.

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 5), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable laws and regulations.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls. we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Enquiring of management as to actual and potential litigation and claims:

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. as fraud may involve collusion, forgery, intentional omissions, misrepresentations. or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and. based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures. And whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Martin Cox (Senior Statutory Auditor)
For and on behalf of mca Banbury Ltd, Statutory Auditor

4 - 6 The Wharf Centre
Wharf Street
Warwick
Warwickshire
CV34 5LB

17 Sep 2025

Date:.....

The Mereside Education Trust

Consolidated Statement of Financial Activities for the Year Ended 31 December 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2024 £
Income and Endowments from:			
Donations and legacies	3	246,200	246,200
Other income		<u>1,870,110</u>	<u>1,870,110</u>
Total income		<u>2,116,310</u>	<u>2,116,310</u>
Expenditure on:			
Raising funds	5	(1,698,073)	(1,698,073)
Charitable activities	6	<u>(335,726)</u>	<u>(335,726)</u>
Total expenditure		(2,033,799)	(2,033,799)
Gains/losses on investment assets		<u>2,665,184</u>	<u>2,665,184</u>
Net income		<u>2,747,695</u>	<u>2,747,695</u>
Net movement in funds		2,747,695	2,747,695
Reconciliation of funds			
Total funds brought forward		<u>(365,354)</u>	<u>(365,354)</u>
Total funds carried forward	17	<u>2,382,341</u>	<u>2,382,341</u>
		Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	3	233,978	233,978
Other income		<u>1,849,990</u>	<u>1,849,990</u>
Total income		<u>2,083,968</u>	<u>2,083,968</u>
Expenditure on:			
Raising funds	5	(1,698,088)	(1,698,088)
Charitable activities	6	<u>2,068,779</u>	<u>2,068,779</u>
Total expenditure		<u>370,691</u>	<u>370,691</u>
Net income		<u>2,454,659</u>	<u>2,454,659</u>
Net movement in funds		2,454,659	2,454,659
Reconciliation of funds			
Total funds brought forward		<u>(2,820,013)</u>	<u>(2,820,013)</u>
Total funds carried forward	17	<u>(365,354)</u>	<u>(365,354)</u>

All of the group's activities derive from continuing operations during the above two periods.

The notes on pages 15 to 26 form an integral part of these financial statements.

The Mereside Education Trust

**Consolidated Statement of Financial Activities for the Year Ended 31 December 2024
(Including Consolidated Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

The funds breakdown for 2023 is shown in note 17.

The notes on pages 15 to 26 form an integral part of these financial statements.

The Mereside Education Trust

Consolidated Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	5,187,260	2,522,979
Current assets			
Stocks	12	169,315	170,306
Debtors	13	90,587	91,754
Cash at bank and in hand	14	340,620	303,540
		600,522	565,600
Creditors: Amounts falling due within one year	15	(433,841)	(383,198)
Net current assets		166,681	182,402
Total assets less current liabilities		5,353,941	2,705,381
Creditors: Amounts falling due after more than one year	16	(2,971,600)	(3,070,735)
Net assets/(liabilities)		2,382,341	(365,354)
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		(282,843)	(365,354)
Revaluation reserve		2,665,184	-
Total unrestricted funds		2,382,341	(365,354)
Total funds	17	2,382,341	(365,354)

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on **16 Sep 2025** and signed on their behalf by:

Kalvin Devenish

.....
Mr K Devenish
Trustee

The notes on pages 15 to 26 form an integral part of these financial statements.

The Mereside Education Trust

Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	819,374	735,567
Investments		<u>202</u>	<u>202</u>
		<u>819,576</u>	<u>735,769</u>
Current assets			
Debtors	13	1,895,619	1,895,619
Cash at bank and in hand	14	<u>265,578</u>	<u>183,528</u>
		2,161,197	2,079,147
Creditors: Amounts falling due within one year	15	<u>(235,463)</u>	<u>(172,929)</u>
Net current assets		<u>1,925,734</u>	<u>1,906,218</u>
Total assets less current liabilities		2,745,310	2,641,987
Creditors: Amounts falling due after more than one year	16	<u>(2,901,600)</u>	<u>(2,952,600)</u>
Net liabilities		<u>(156,290)</u>	<u>(310,613)</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>(156,290)</u>	<u>(310,613)</u>
Total funds	17	<u>(156,290)</u>	<u>(310,613)</u>

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on **16 Sep 2025** and signed on their behalf by:

Kalvin Devenish

.....
Mr K Devenish
Trustee

The notes on pages 15 to 26 form an integral part of these financial statements.

The Mereside Education Trust

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash income		82,511	2,454,659
Adjustments to cash flows from non-cash items			
Depreciation	5	<u>100,841</u>	<u>(139,365)</u>
		183,352	2,315,294
Working capital adjustments			
Decrease in stocks	12	991	11,922
Decrease/(increase) in debtors	13	1,167	(9,845)
Increase/(decrease) in creditors	15	<u>50,643</u>	<u>(114,845)</u>
Net cash flows from operating activities		<u>236,153</u>	<u>2,202,526</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	10	(99,938)	(48,668)
Sale of tangible fixed assets		-	42,943
Sale of investments		<u>-</u>	<u>417,850</u>
Net cash flows from investing activities		(99,938)	412,125
Cash flows from financing activities			
Repayment of loans and borrowings	15	<u>(99,135)</u>	<u>(2,436,865)</u>
Net increase in cash and cash equivalents		37,080	177,786
Cash and cash equivalents at 1 January		<u>303,540</u>	<u>125,754</u>
Cash and cash equivalents at 31 December		<u><u>340,620</u></u>	<u><u>303,540</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 15 to 26 form an integral part of these financial statements.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

1 Charity status

The Mereside Education Trust is an unincorporated charity (registered number 1058933) registered in England and Wales. The registered address is Hartford Manor, Greenbank Lane, Northwich, CW8 1HW.

2 Accounting policies

Statement of compliance

The 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charity Act 2011.

Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mereside Education Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has also taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only statement of cash flows and certain disclosures about the Charity's financial instruments within the consolidated financial statements.

No separate SOFA has been prepared for the Charity alone.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

Income and endowments

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

Depreciation and amortisation

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives. Assets costing less than £500 are written off to SoFA in the year of purchase.

Asset class	Depreciation method and rate
Freehold property	2% Straight Line
Plant & Machinery	20% Straight Line
Leasehold Property	10% Straight Line

Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Trade debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Fund structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes, The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Gifts and Donations	246,200	246,200
Total for 2024	<u>246,200</u>	<u>246,200</u>
Total for 2023	<u>233,978</u>	<u>233,978</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

4 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading Income- Quanto Enterprise Ltd	1,870,110	1,870,110
Total for 2024	<u>1,870,110</u>	<u>1,870,110</u>

5 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Trading costs - Quanto Enterprise Ltd & Hartford Investments Ltd		1,698,073	1,698,073
Total for 2024		<u>1,698,073</u>	<u>1,698,073</u>
Total for 2023		<u>1,698,088</u>	<u>1,698,088</u>

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
Charitable Activities	7	335,726	335,726
Total for 2023		<u>(2,068,779)</u>	<u>(2,068,779)</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

7 Analysis of support costs

Support costs allocated to charitable activities

	Governance costs £	Finance costs £	Administration costs £	Premises costs including depreciation £	Other support costs £
Charitable Activities	<u>5,774</u>	<u>72,889</u>	<u>9,240</u>	<u>30,273</u>	<u>217,550</u>
					Total 2024
Charitable Activities					£ <u>335,726</u>
					Premises costs including depreciation
					Other support costs
	£	£	£	£	£
Charitable Activities	<u>5,768</u>	<u>246,183</u>	<u>4,339</u>	<u>(2,444,069)</u>	<u>119,000</u>
					Total 2023
Charitable Activities					£ <u>(2,068,779)</u>

Other support costs are donations made to OSG.

Staff costs are nil. The Mereside Education Trust is run entirely by volunteers.

During the year Mereside Education trust adjusted their depreciation policy which has led to an adjustment to the depreciation recorded in the year.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses from the charity during the year.

9 Auditors' remuneration

	2023 £
Other fees to auditors	
The auditing of accounts of any associate of the charity	4,000
All other non-audit services	<u>2,000</u>
	<u><u>6,000</u></u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

10 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2024	2,480,287	317,719	2,798,006
Revaluations	2,665,184	-	2,665,184
Additions	99,938	-	99,938
At 31 December 2024	5,245,409	317,719	5,563,128
Depreciation			
At 1 January 2024	152,269	122,758	275,027
Charge for the year	46,594	54,247	100,841
At 31 December 2024	198,863	177,005	375,868
Net book value			
At 31 December 2024	5,046,546	140,714	5,187,260
At 31 December 2023	2,328,018	194,961	2,522,979

Charity

	Land and buildings £	Total £
Cost		
At 1 January 2024	808,834	808,834
Additions	99,938	99,938
At 31 December 2024	908,772	908,772
Depreciation		
At 1 January 2024	73,267	73,267
Charge for the year	16,131	16,131
At 31 December 2024	89,398	89,398
Net book value		
At 31 December 2024	819,374	819,374
At 31 December 2023	735,567	735,567

11 Fixed asset investments

Charity

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2024	202	202
At 31 December 2024	202	202
Net book value		
At 31 December 2024	202	202
At 31 December 2023	202	202

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
Quanto Enterprise Ltd	United Kingdom		100%	100%	Sale of retail goods
Hartford Investments Ltd	United Kingdom		100%	100%	Letting and operating of own real estate

12 Stock

	Group		Charity
	2024	2023	2024
	£	£	£
Stocks	169,315	170,306	-

13 Debtors

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	71,063	71,745	-	-
Prepayments	7,524	8,009	-	-
Other debtors	12,000	12,000	1,895,619	1,895,619
	<u>90,587</u>	<u>91,754</u>	<u>1,895,619</u>	<u>1,895,619</u>

14 Cash and cash equivalents

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Cash at bank	<u>340,620</u>	<u>303,540</u>	<u>265,578</u>	<u>183,528</u>

15 Creditors: amounts falling due within one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	119,520	79,168	44,004	3,210
VAT grant repayable	1,732	5,955	(1,858)	(324)
Other creditors	132,317	125,435	33,000	23,999
Accruals	180,272	172,640	160,317	146,044
	<u>433,841</u>	<u>383,198</u>	<u>235,463</u>	<u>172,929</u>

16 Creditors: amounts falling due after one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Loans	<u>2,971,600</u>	<u>3,070,735</u>	<u>2,901,600</u>	<u>2,952,600</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

17 Funds

Group

	Balance at 1 January 2024	Incoming resources	Resources expended	Other recognised gains/(losses)	Balance at 31 December 2024
	£	£	£	£	£
Unrestricted funds					
General	<u>(365,354)</u>	<u>2,116,310</u>	<u>(2,033,799)</u>	<u>2,665,184</u>	<u>2,382,341</u>

	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£
Unrestricted funds				
General	<u>(2,820,013)</u>	<u>2,083,968</u>	<u>370,691</u>	<u>(365,354)</u>

Charity

	Balance at 1 January 2024	Incoming resources	Resources expended	Balance at 31 December 2024
	£	£	£	£
Unrestricted funds				
General	<u>(310,614)</u>	<u>490,050</u>	<u>(335,726)</u>	<u>(156,290)</u>

	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£
Unrestricted funds				
General	<u>(2,732,370)</u>	<u>352,978</u>	<u>2,068,779</u>	<u>(310,613)</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

18 Analysis of net assets between funds

Group

	Unrestricted funds General £	Total funds at 31 December 2024 £
Tangible fixed assets	5,187,260	5,187,260
Current assets	600,522	600,522
Current liabilities	(433,841)	(433,841)
Creditors over 1 year	(2,971,600)	(2,971,600)
	<u>2,382,341</u>	<u>2,382,341</u>
Total net assets	<u>2,382,341</u>	<u>2,382,341</u>
	Unrestricted funds General £	Total funds at 31 December 2023 £
Tangible fixed assets	2,522,979	2,522,979
Current assets	565,600	565,600
Current liabilities	(383,198)	(383,198)
Creditors over 1 year	(3,070,735)	(3,070,735)
	<u>(365,354)</u>	<u>(365,354)</u>
Total net assets	<u>(365,354)</u>	<u>(365,354)</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2024

Charity

	Unrestricted funds General £	Total funds at 31 December 2024 £
Tangible fixed assets	819,374	819,374
Fixed asset investments	202	202
Current assets	2,161,197	2,161,197
Current liabilities	(235,463)	(235,463)
Creditors over 1 year	<u>(2,901,600)</u>	<u>(2,901,600)</u>
Total net assets	<u>(156,290)</u>	<u>(156,290)</u>

	Unrestricted funds General £	Total funds at 31 December 2023 £
Tangible fixed assets	735,567	735,567
Fixed asset investments	202	202
Current assets	2,079,147	2,079,147
Current liabilities	(172,929)	(172,929)
Creditors over 1 year	<u>(2,952,600)</u>	<u>(2,952,600)</u>
Total net assets	<u>(310,613)</u>	<u>(310,613)</u>

19 Related party transactions

Charity

As stated in Note 14, Quanto Enterprise Ltd was a wholly owned subsidiary undertaking of the Charity. £243,850 was received by the Charity from the subsidiary under gift aid.

Loans owed by The Mereside Education Trust from Trustees and their related parties during the year totaled £2,901,600.



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Parties involved with this document

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Audit history log

Date	Action
Wed, 3rd Sep 2025 14:09:49 BST	Envelope generated with fingerprint c23346c9ddc31dae1cfd1863c80174fa (35.176.231.177)
Wed, 3rd Sep 2025 14:09:49 BST	Document generated with fingerprint 3496e3d8e2ed20b864ac77524a6758dd. (35.176.231.177)
Wed, 3rd Sep 2025 14:09:49 BST	Mr Kevin Devenish has been assigned to this envelope. (35.176.231.177)
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Tue, 16th Sep 2025 15:04:18 BST	Mr Kevin Devenish signed the envelope (157.231.115.242)
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THE MERESIDE EDUCATION TRUST

England & Wales - Charity number 1058933

Accounts

Charity registration number: 1058933

The Mereside Education Trust

Trustees' Report and Financial Statements

for the Year Ended 31 December 2023

mca Banbury Ltd
4 - 6 The Wharf Centre
Wharf Street
Warwick
Warwickshire
CV34 5LB

The Mereside Education Trust

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The Mereside Education Trust

Reference and Administrative Details

Chief Executive Officer	Mr A Wells
Trustees	Mr M Chadwick Mr N Simpson Mr M Hutchins Mr K Devenish Mr M Dunbar Mr V Wells Lewis Justin Baldwin Mr C Lewis Mr J Hayward
Charity Registration Number	1058933
Principal Office	Mereside Education Trust c/o Hartford Manor Greenbank Lane Northwich CW8 1HW
Auditor	mca Banbury Ltd 4 - 6 The Wharf Centre Wharf Street Warwick Warwickshire CV34 5LB
Bankers	National Westminster Bank plc 23 Stamford New Road, Altrincham, Cheshire WA14 1DB

The Mereside Education Trust

Trustees' Report

The Trustees present their report with the financial statements of the charity for the year ended 31st December 2023. 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 (FRS102) (effective 1 January 2019).

Objectives and activities

Objects and aims

The charitable objects of the charity are the advancement of the education of children and young people from the ages five to eighteen in particular by assistance to their parents to enable such children to be taught otherwise than at school as defined in the education acts 1944 to 1993. Any other charitable purpose for the benefit of the brethren.

In furtherance of its objects, the Trust provides the premises under formal lease for an independent school based in Northwich, owned by its subsidiary Hartford Investments Ltd (Company number 10279969), which has been run by OneSchool Global UK (OSGUK).

The charity also provides donation funding 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.

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 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 Quanto Enterprise Ltd (Company Number 08068645), which operates a chain of convenience stores, are undertaken by volunteers.

The Mereside Education Trust

Trustees' Report

Achievements and performance

Financial review

The charity is supported and financed principally by profits from its trading subsidiary Quanto Enterprise Ltd plus other ad hoc donations and those raised by fundraising events and 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.

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 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 Trust.

In the year ended 31st December 2023 the charity reported a surplus of £2,421,757 (2022 deficit of £282,792). The group reported a surplus of £2,454,659 (2022 deficit of £79,622).

At the year end the charity had net current liabilities of £310,613 (2022 net current liabilities of £2,732,370). The group had net current liabilities of £365,364 (2022 net current liabilities of £2,820,013).

The charity's policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £147,368. At the year end 2023 the free reserves of the charity were £310,613 (31st December 2022 £2,732,370).

The Trustees completed on the sale of the old school site in Stockport for £2.65m.

The Hartford Manor site comprises the Manor House from which the school operates, an adjacent derelict cottage and approximately one acre of unused car parking area. Hartford Manor is held at a carrying value of £1.5047m. Hartford Manor has been valued in April 2023 at £3.7m. The Trustees intend to transfer Hartford Manor up into the Trust at the earliest opportunity as part of the structural simplification of the Group.

The site at Hartford Manor includes the School along with a cottage and surplus car park area. The Trustees believe that the disposal of the cottage and / or surplus car park could raise additional funds without causing major disruption to the operation of the school, although no potential buyer has yet been sought.

At 31 December 2023 the Trust and Group had substantial deficit funds. The long-term aim for the Trust has been to hold sufficient reserves to meet three month's operating costs and to have sufficient funds to repay its loans as required.

In the short to medium term, the sale of the old school site in Stockport has helped to alleviate the shortfall in funds and the sale of excess land and / or buildings at the Hartford Manor site remains under consideration. The Trust continues to have numerous offers of long-term loan support from "stakeholders" in the Trust (i.e.; graduated students and their parents or grandparents) which could be used to offset other loans requiring repayment. The Trustees hope to return to a net assets position by 2024.

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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The Mereside Education Trust

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

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

Nature of governing document

The Mereside Education Trust is constituted by a Deed of Trust dated 07 April 1995, amended 26 August 1996, 20 March 1997 and 18 December 2008 and is registered with the Charity Commission for England and Wales.

The Trustees who 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 31st December 2023 (year ended 31st December 2022 £nil).

The power to appoint Trustees is invested in the existing Trustees subject to the charity 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 and values of the charity.

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

Financial instruments

Objectives and policies

The Trustees have examined the major strategic, business and operational risks that the charity faces. 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.

The principal risks to the charity are:

- risk of damage to the property held by the charity (although the property holds property insurance);
- risk of closure or relocation of the schooling by OneSchool Global UK (considered unlikely); and
- risk of fall in trading activities of the wholly owned trading subsidiary, either due to a fall in customer loyalty or a significant increase in supplier prices (closely monitored by the trading subsidiary directors who would then take appropriate action).

There were no serious incidents relating to the charity over the year to report.

The Mereside Education Trust

Trustees' Report

Statement of trustees' responsibilities

The trustees are responsible for preparing the 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 and Wales 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 of the charitable group 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;
- 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 charity and group will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group 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 charity deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on^{25/8/24}..... and signed on its behalf by:


.....
Mr K Devenish
Trustee

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

Opinion

We have audited the financial statements of The Mereside Education Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 December 2023 and of its 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Our responsibilities and the responsibilities of the trustees 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 auditor's report 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.

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 5), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable laws and regulations.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Martin Cox (Senior Statutory Auditor)
For and on behalf of mca Banbury Ltd, Statutory Auditor

4 - 6 The Wharf Centre
Wharf Street
Warwick
Warwickshire
CV34 5LB

Date:12/09/2024

The Mereside Education Trust

Consolidated Statement of Financial Activities for the Year Ended 31 December 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	3	233,978	233,978
Other income		<u>1,849,990</u>	<u>1,849,990</u>
Total income		<u>2,083,968</u>	<u>2,083,968</u>
Expenditure on:			
Raising funds	5	(1,698,088)	(1,698,088)
Charitable activities	6	<u>2,068,779</u>	<u>2,068,779</u>
Total expenditure		<u>370,691</u>	<u>370,691</u>
Net income		<u>2,454,659</u>	<u>2,454,659</u>
Net movement in funds		2,454,659	2,454,659
Reconciliation of funds			
Total funds brought forward		<u>(2,820,013)</u>	<u>(2,820,013)</u>
Total funds carried forward	18	<u>(365,354)</u>	<u>(365,354)</u>
	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	3	172,154	172,154
Other income		<u>1,787,785</u>	<u>1,787,785</u>
Total income		<u>1,959,939</u>	<u>1,959,939</u>
Expenditure on:			
Raising funds	5	(1,389,116)	(1,389,116)
Charitable activities	6	<u>(650,445)</u>	<u>(650,445)</u>
Total expenditure		<u>(2,039,561)</u>	<u>(2,039,561)</u>
Net expenditure		<u>(79,622)</u>	<u>(79,622)</u>
Net movement in funds		(79,622)	(79,622)
Reconciliation of funds			
Total funds brought forward		<u>(2,740,391)</u>	<u>(2,740,391)</u>
Total funds carried forward	18	<u>(2,820,013)</u>	<u>(2,820,013)</u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 18.

The notes on pages 14 to 26 form an integral part of these financial statements.

The Mereside Education Trust

Consolidated Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	2,522,979	2,377,889
Current assets			
Stocks	12	170,306	182,228
Debtors	13	91,754	81,909
Investments	14	-	417,850
Cash at bank and in hand	15	303,540	125,754
		<u>565,600</u>	<u>807,741</u>
Creditors: Amounts falling due within one year	16	<u>(383,198)</u>	<u>(3,874,043)</u>
Net current assets/(liabilities)		<u>182,402</u>	<u>(3,066,302)</u>
Total assets less current liabilities		2,705,381	(688,413)
Creditors: Amounts falling due after more than one year	17	<u>(3,070,735)</u>	<u>(2,131,600)</u>
Net liabilities		<u>(365,354)</u>	<u>(2,820,013)</u>
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		<u>(365,354)</u>	<u>(2,820,013)</u>
Total funds	18	<u>(365,354)</u>	<u>(2,820,013)</u>

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 13/12/23 and signed on their behalf by:

.....

 Mr K Devenish
 Trustee

The notes on pages 14 to 26 form an integral part of these financial statements.

The Mereside Education Trust

Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	735,567	497,646
Investments		202	202
		735,769	497,848
Current assets			
Debtors	13	1,895,619	1,897,104
Investments	14	-	417,850
Cash at bank and in hand	15	183,528	85,760
		2,079,147	2,400,714
Creditors: Amounts falling due within one year	16	(172,929)	(3,559,332)
Net current assets/(liabilities)		1,906,218	(1,158,618)
Total assets less current liabilities		2,641,987	(660,770)
Creditors: Amounts falling due after more than one year	17	(2,952,600)	(2,071,600)
Net liabilities		(310,613)	(2,732,370)
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		(310,613)	(2,732,370)
Total funds	18	(310,613)	(2,732,370)

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 23/8/24 and signed on their behalf by:

.....
Mr K Devenish
Trustee

The notes on pages 14 to 26 form an integral part of these financial statements.

The Mereside Education Trust

Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income/(expenditure)		2,454,659	(79,622)
Adjustments to cash flows from non-cash items			
Depreciation	5	<u>(139,365)</u>	<u>200,715</u>
		2,315,294	121,093
Working capital adjustments			
Decrease/(increase) in stocks	12	11,922	(82,614)
Increase in debtors	13	(9,845)	(41,653)
(Decrease)/increase in creditors	16	(114,845)	237,406
Decrease in provisions		<u>-</u>	<u>(4,969)</u>
Net cash flows from operating activities		<u>2,202,526</u>	<u>229,263</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	10	(48,668)	(439,396)
Sale of tangible fixed assets		42,943	5,867
Sale of investments		<u>417,850</u>	<u>-</u>
Net cash flows from investing activities		412,125	(433,529)
Cash flows from financing activities			
Repayment of loans and borrowings	16	<u>(2,436,865)</u>	<u>49,000</u>
Net increase/(decrease) in cash and cash equivalents		177,786	(155,266)
Cash and cash equivalents at 1 January		<u>125,754</u>	<u>281,020</u>
Cash and cash equivalents at 31 December		<u>303,540</u>	<u>125,754</u>

All of the cash flows are derived from continuing operations during the above two periods.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

1 Charity status

The Mereside Education Trust is an unincorporated charity (registered number 1058933) registered in England and Wales. The registered address is Hartford Manor, Greenbank Lane, Northwich, CW8 1HW.

2 Accounting policies

Statement of compliance

The 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charity Act 2011.

Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mereside Education Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The Charity has also taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only statement of cash flows and certain disclosures about the Charity's financial instruments within the consolidated financial statements.

No separate SOFA has been prepared for the Charity alone.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

Income and endowments

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

Depreciation and amortisation

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives. Assets costing less than £500 are written off to SoFA in the year of purchase.

Asset class	Depreciation method and rate
Freehold property	2% Straight Line
Plant & Machinery	20% Straight Line
Leasehold Property	10% Straight Line

Current asset investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Trade debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Fund structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes, The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Gifts and Donations	233,978	233,978
Total for 2023	233,978	233,978
Total for 2022	172,154	172,154

4 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading Income- Quanto Enterprise Ltd	1,849,990	1,849,990
Total for 2023	1,849,990	1,849,990

5 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Trading costs - Quanto Enterprise Ltd & Hartford Investments Ltd		1,698,088	1,698,088
Total for 2023		1,698,088	1,698,088
Total for 2022		1,389,116	1,389,116

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
Charitable Activities	7	(2,068,779)	(2,068,779)
Total for 2022		650,445	650,445

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

7 Analysis of support costs

Support costs allocated to charitable activities

	Governance costs £	Finance costs £	Administration costs £	Premises costs including depreciation £	Other support costs £
Charitable Activities	<u>5,768</u>	<u>246,183</u>	<u>4,339</u>	<u>(2,444,069)</u>	<u>119,000</u>
					Total 2023
					£
Charitable Activities					<u>(2,068,779)</u>
					Total 2022
					£
Charitable Activities	<u>93,421</u>	<u>181,034</u>	<u>328</u>	<u>180,162</u>	<u>195,500</u>
					Total 2022
					£
Charitable Activities					<u>650,445</u>

Other support costs are donations made to OSG.

Staff costs are nil. The Mereside Education Trust is run entirely by volunteers.

During the year Mereside Education trust adjusted their depreciation policy which has led to an adjustment to the depreciation recorded in the year.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses from the charity during the year.

9 Auditors' remuneration

	2023 £	2022 £
Other fees to auditors		
The auditing of accounts of any associate of the charity	4,000	4,000
All other non-audit services	2,000	2,000
	<u>6,000</u>	<u>6,000</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

10 Tangible fixed assets

Group	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2023	2,477,996	317,719	2,795,715
Additions	48,668	-	48,668
Disposals	(46,377)	-	(46,377)
At 31 December 2023	<u>2,480,287</u>	<u>317,719</u>	<u>2,798,006</u>
Depreciation			
At 1 January 2023	354,432	63,394	417,826
Charge for the year	(198,729)	59,364	(139,365)
Eliminated on disposals	(3,434)	-	(3,434)
At 31 December 2023	<u>152,269</u>	<u>122,758</u>	<u>275,027</u>
Net book value			
At 31 December 2023	<u>2,328,018</u>	<u>194,961</u>	<u>2,522,979</u>
At 31 December 2022	<u>2,123,564</u>	<u>254,325</u>	<u>2,377,889</u>
Charity			
		Land and buildings £	Total £
Cost			
At 1 January 2023		806,543	806,543
Additions		48,668	48,668
Disposals		(46,377)	(46,377)
At 31 December 2023		<u>808,834</u>	<u>808,834</u>
Depreciation			
At 1 January 2023		308,897	308,897
Charge for the year		(232,196)	(232,196)
Eliminated on disposals		(3,434)	(3,434)
At 31 December 2023		<u>73,267</u>	<u>73,267</u>
Net book value			
At 31 December 2023		<u>735,567</u>	<u>735,567</u>
At 31 December 2022		<u>497,646</u>	<u>497,646</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

11 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2023	202	202
At 31 December 2023	202	202
Net book value		
At 31 December 2023	202	202
At 31 December 2022	202	202

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
Quanto Enterprise Ltd	United Kingdom		100%	100%	Sale of retail goods
Hartford Investments Ltd	United Kingdom		100%		Letting and operating of own real estate

12 Stock

	Group		Charity
	2023	2022	2023
	£	£	£
Stocks	170,306	182,228	-

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

13 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	71,745	61,258	-	-
Prepayments	8,009	8,651	-	1,485
Other debtors	12,000	12,000	1,895,619	1,895,619
	<u>91,754</u>	<u>81,909</u>	<u>1,895,619</u>	<u>1,897,104</u>

14 Current asset investments

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Properties held for sale	<u>-</u>	<u>417,850</u>	<u>-</u>	<u>417,850</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

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

The carrying value of Tennyson Close, Stockport is £20,000 and the carrying value of Didsbury Road, Stockport is £397,850.

During the year the charity completed the sale of the land and the old school premises for £2.65m.

15 Cash and cash equivalents

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash on hand	-	206	-	206
Cash at bank	303,540	125,548	183,528	85,554
	<u>303,540</u>	<u>125,754</u>	<u>183,528</u>	<u>85,760</u>

16 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Loans	-	3,376,000	-	3,326,000
Trade creditors	79,168	95,553	3,210	3,163
VAT grant repayable	5,955	(28,800)	(324)	-
Other creditors	125,435	168,066	23,999	19,268
Accruals	172,640	263,224	146,044	210,901
	<u>383,198</u>	<u>3,874,043</u>	<u>172,929</u>	<u>3,559,332</u>

17 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Loans	<u>3,070,735</u>	<u>2,131,600</u>	<u>2,952,600</u>	<u>2,071,600</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

18 Funds

Group

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Unrestricted funds				
General	<u>(2,820,013)</u>	<u>2,083,968</u>	<u>370,691</u>	<u>(365,354)</u>
	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General	<u>(2,740,391)</u>	<u>1,959,939</u>	<u>(2,039,561)</u>	<u>(2,820,013)</u>
Charity				
	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Unrestricted funds				
General	<u>(2,732,370)</u>	<u>352,978</u>	<u>2,068,779</u>	<u>(310,613)</u>
	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General	<u>(2,449,578)</u>	<u>367,654</u>	<u>(650,446)</u>	<u>(2,732,370)</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

19 Analysis of net assets between funds

Group	Unrestricted funds General £	Total funds at 31 December 2023 £
Tangible fixed assets	2,522,979	2,522,979
Current assets	565,600	565,600
Current liabilities	(383,198)	(383,198)
Creditors over 1 year	<u>(3,070,735)</u>	<u>(3,070,735)</u>
Total net assets	<u>(365,354)</u>	<u>(365,354)</u>
	Unrestricted funds General £	Total funds at 31 December 2022 £
Tangible fixed assets	2,377,889	2,377,889
Current assets	807,741	807,741
Current liabilities	(3,874,043)	(3,874,043)
Creditors over 1 year	<u>(2,131,600)</u>	<u>(2,131,600)</u>
Total net assets	<u>(2,820,013)</u>	<u>(2,820,013)</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

Charity	Unrestricted funds General £	Total funds at 31 December 2023 £
Tangible fixed assets	735,567	735,567
Fixed asset investments	202	202
Current assets	2,079,147	2,079,147
Current liabilities	(172,929)	(172,929)
Creditors over 1 year	<u>(2,952,600)</u>	<u>(2,952,600)</u>
Total net assets	<u>(310,613)</u>	<u>(310,613)</u>
	Unrestricted funds General £	Total funds at 31 December 2022 £
Tangible fixed assets	497,646	497,646
Fixed asset investments	202	202
Current assets	2,400,714	2,400,714
Current liabilities	(3,559,332)	(3,559,332)
Creditors over 1 year	<u>(2,071,600)</u>	<u>(2,071,600)</u>
Total net assets	<u>(2,732,370)</u>	<u>(2,732,370)</u>

20 Related party transactions

Charity

As stated in Note 14, Quanto Enterprise Ltd was a wholly owned subsidiary undertaking of the Charity. £119,000 was received by the Charity from the subsidiary under gift aid.

Loans owed by The Mereside Education Trust from Trustees and their related parties during the year totaled £2,952,600.

THE MERESIDE EDUCATION TRUST

England & Wales - Charity number 1058933

Accounts

Charity registration number: 1058933

The Mereside Education Trust

Trustee' Report and Financial Statements

for the Year Ended 31 December 2022

mca Banbury Ltd
4 - 6 The Wharf Centre
Wharf Street
Warwick
Warwickshire
CV34 5LB

The Mereside Education Trust

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The Mereside Education Trust

Reference and Administrative Details

Chief Executive Officer	Mr A Wells
Trustees	Mark Chadwick Mr N Simpson Mr M Hutchins Mr K Devenish Mr M Dunbar Mr V Wells Lewis Justin Baldwin Mr C Lewis Mr J Hayward
Charity Registration Number	1058933
Principal Office	Mereside Education Trust c/o Hartford Manor Greenbank Lane Northwich CW8 1HW
Auditor	mca Banbury Ltd 4 - 6 The Wharf Centre Wharf Street Warwick Warwickshire CV34 5LB
Bankers	National Westminster Bank plc 23 Stamford New Road, Altrincham, Cheshire WA14 1DB

The Mereside Education Trust

Trustees' Report

The Trustees present their report with the financial statements of the charity for the year ended 31st December 2022. 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 (FRS102) (effective 1 January 2019).

Objectives and activities

Objects and aims

The charitable objects of the charity are the advancement of the education of children and young people from the ages five to eighteen in particular by assistance to their parents to enable such children to be taught otherwise than at school as defined in the education acts 1944 to 1993. Any other charitable purpose for the benefit of the brethren.

In furtherance of its objects, the Trust provides the premises under formal lease for an independent school based in Northwich, owned by its subsidiary Hartford Investments Ltd (Company number 10279969), 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.

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 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 Quanto Enterprise Ltd (Company Number 08068645), which operates a chain of convenience stores, are undertaken by volunteers.

Achievements and performance

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

In March 2023 the charity completed on the sale of the old school site in Stockport for £2.65m.

The charity has a wholly owned subsidiary company, Quanto Enterprise Ltd which undertakes trading activities. All profits chargeable to corporation tax are gifted to the charity in support of the charitable activities of the charity.

The Mereside Education Trust

Trustees' Report

Financial review

The charity is supported and financed principally by profits from its trading subsidiary Quanto Enterprise Ltd plus other ad hoc donations and those raised by fundraising events and 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.

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 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 Trust.

In the year ended 31st December 2022 the charity reported a net deficit of (£282,792) (2021 deficit of (£101,666)). The group reported a net deficit of (£79,622) (2021 deficit of (£83,734)).

At the year end the charity had net current liabilities of (£660,770) (2021 net current liabilities of (£191,978)). The group had net current liabilities of (£688,413) (2021 net current liabilities of (£819,422)).

The charity's policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £55,527. At the year end 2022 the free reserves of the charity were (£2,732,370) (31st December 2021 (£2,449,578)).

The Trustees completed on the sale of the old school site in Stockport for £2.65m.

The Hartford Manor site comprises the Manor House from which the school operates, an adjacent derelict cottage and approximately one acre of unused car parking area. Hartford Manor is held at a carrying value of £2.8m. Hartford Manor has been valued in April 2023 at £3.7m. The Trustees intend to transfer Hartford Manor up into the Trust at the earliest opportunity as part of the structural simplification of the Group.

The site at Hartford Manor includes the School along with a cottage and surplus car park area. The Trustees believe that the disposal of the cottage and / or surplus car park could raise additional funds without causing major disruption to the operation of the school, although no potential buyer has yet been sought.

At 31 December 2022 the Trust and Group had substantial deficit funds. The long-term aim for the Trust has been to hold sufficient reserves to meet three months operating costs and to have sufficient funds to repay its loans as required.

In the short to medium term, the sale of the old school site in Stockport has helped to alleviate the shortfall in funds and the sale of excess land and / or buildings at the Hartford Manor site remains under consideration. The Trust continues to have numerous offers of long-term loan support from "stakeholders" in the Trust (i.e.; graduated students and their parents or grandparents) which could be used to offset other loans requiring repayment. The Trustees hope to return to a net assets position by 2024.

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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The Mereside Education Trust

Trustees' Report

Plans for future periods

Aims and key objectives for future periods

The Trustees plan to continue to support OSGUK to provide 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

Nature of governing document

The Mereside Education Trust is constituted by a Deed of Trust dated 07 April 1995, amended 26 August 1996, 20 March 1997 and 18 December 2008 and is registered with the Charity Commission for England and Wales.

The Trustees who 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 31st December 2022 (year ended 31st December 2021 £nil).

The power to appoint Trustees is invested in the existing Trustees subject to the charity 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 and values of the charity.

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

As part of the Trust's commitment to the highest possible standards of fundraising, the Trustees take steps to ensure that all fundraising activities were compliant with legislative, regulatory and best practice standards. During 2022, all interactions with the general public were carried out by our volunteers.

Where the Trust organises fundraising events and coordinates the activities of our supporters in the wider community on behalf of the Trust and wider charities, the Trust does not use professional fundraisers or involve commercial participators. The Trust seeks to comply with all the relevant standards set out by the Fundraising Regulator in their Code of Fundraising Practice.

As a policy the Trust seeks to respond to all complaints within 10 days. Most serious complaints are escalated to Trustees so they can consider lessons learnt. There have been no complaints about fundraising activity this year.

Over the period, the Trust continued to undertake significant efforts to ensure compliance with the new General Data Protection Regulation (GDPR), which came into effect in May 2018. We remain entirely committed to protecting personal information of our supporters and beneficiaries. This work will continue during 2022 and beyond.

The Mereside Education Trust

Trustees' Report

Financial instruments

Objectives and policies

The Trustees have examined the major strategic, business and operational risks that the charity faces. 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.

The principal risks to the charity are:

- risk of damage to the property held by the charity (although the property holds property insurance);
- risk of closure or relocation of the schooling by OneSchool Global UK (considered unlikely); and
- risk of fall in trading activities of the wholly owned trading subsidiary, either due to a fall in customer loyalty or a significant increase in supplier prices (closely monitored by the trading subsidiary directors who would then take appropriate action).

There were no serious incidents relating to the charity over the year to report.

The Mereside Education Trust

Trustees' Report

Statement of trustees' responsibilities

The trustees are responsible for preparing the 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 and Wales 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 of the charitable group 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;
- 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 charity and group will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group 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 charity deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 23.08.2023 and signed on its behalf by:



Mr N Simpson
Trustee

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

Opinion

We have audited the financial statements of The Mereside Education Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 December 2022 and of its 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Our responsibilities and the responsibilities of the trustees 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 auditor's report 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.

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 6), 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 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.

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable laws and regulations.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

The Mereside Education Trust

Independent Auditor's Report to the Members of The Mereside Education Trust

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Martin Cox (Senior Statutory Auditor)
For and on behalf of mca Banbury Ltd, Statutory Auditor

4 - 6 The Wharf Centre
Wharf Street
Warwick
Warwickshire
CV34 5LB

Date:.....

27th September 2023

The Mereside Education Trust

**Consolidated Statement of Financial Activities for the Year Ended 31 December 2022
(Including Consolidated Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	3	172,154	172,154
Other income		<u>1,787,785</u>	<u>1,787,785</u>
Total income		<u>1,959,939</u>	<u>1,959,939</u>
Expenditure on:			
Raising funds	5	(1,389,116)	(1,389,116)
Charitable activities	6	<u>(650,445)</u>	<u>(650,445)</u>
Total expenditure		<u>(2,039,561)</u>	<u>(2,039,561)</u>
Net expenditure		<u>(79,622)</u>	<u>(79,622)</u>
Net movement in funds		(79,622)	(79,622)
Reconciliation of funds			
Total funds brought forward		<u>(2,740,391)</u>	<u>(2,740,391)</u>
Total funds carried forward	18	<u>(2,820,013)</u>	<u>(2,820,013)</u>
		Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies	3	154,688	154,688
Other income		<u>1,359,302</u>	<u>1,359,302</u>
Total income		<u>1,513,990</u>	<u>1,513,990</u>
Expenditure on:			
Raising funds	5	(1,163,371)	(1,163,371)
Charitable activities	6	<u>(434,353)</u>	<u>(434,353)</u>
Total expenditure		<u>(1,597,724)</u>	<u>(1,597,724)</u>
Net expenditure		<u>(83,734)</u>	<u>(83,734)</u>
Net movement in funds		(83,734)	(83,734)
Reconciliation of funds			
Total funds brought forward		<u>(2,656,657)</u>	<u>(2,656,657)</u>
Total funds carried forward	18	<u>(2,740,391)</u>	<u>(2,740,391)</u>

The notes on pages 16 to 28 form an integral part of these financial statements.

The Mereside Education Trust

**Consolidated Statement of Financial Activities for the Year Ended 31 December 2022
(Including Consolidated Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 18.

The notes on pages 16 to 28 form an integral part of these financial statements.

The Mereside Education Trust

Consolidated Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	2,377,889	2,145,075
Current assets			
Stocks	12	182,228	99,614
Debtors	13	81,909	40,256
Investments	14	417,850	417,850
Cash at bank and in hand	15	125,754	281,020
		807,741	838,740
Creditors: Amounts falling due within one year	16	(3,874,043)	(3,803,237)
Net current liabilities		(3,066,302)	(2,964,497)
Total assets less current liabilities		(688,413)	(819,422)
Creditors: Amounts falling due after more than one year	17	(2,131,600)	(1,916,000)
Provisions		-	(4,969)
Net liabilities		(2,820,013)	(2,740,391)
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		(2,820,013)	(2,740,391)
Total funds	18	(2,820,013)	(2,740,391)

The financial statements on pages 11 to 28 were approved by the trustees, and authorised for issue on
and signed on their behalf by:


.....

Mr N Simpson
Trustee

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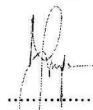
The notes on pages 16 to 28 form an integral part of these financial statements.

The Mereside Education Trust

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	497,646	588,133
Investments		<u>202</u>	<u>202</u>
		<u>497,848</u>	<u>588,335</u>
Current assets			
Debtors	13	1,897,104	1,901,792
Investments	14	417,850	417,850
Cash at bank and in hand	15	<u>85,760</u>	<u>147,323</u>
		2,400,714	2,466,965
Creditors: Amounts falling due within one year	16	<u>(3,559,332)</u>	<u>(3,247,278)</u>
Net current liabilities		<u>(1,158,618)</u>	<u>(780,313)</u>
Total assets less current liabilities		(660,770)	(191,978)
Creditors: Amounts falling due after more than one year	17	<u>(2,071,600)</u>	<u>(2,257,600)</u>
Net liabilities		<u>(2,732,370)</u>	<u>(2,449,578)</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>(2,732,370)</u>	<u>(2,449,578)</u>
Total funds	18	<u>(2,732,370)</u>	<u>(2,449,578)</u>

The financial statements on pages 11 to 28 were approved by the trustees, and authorised for issue on
and signed on their behalf by:



 Mr N Simpson
 Trustee

The notes on pages 16 to 28 form an integral part of these financial statements.

The Mereside Education Trust

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash expenditure		(79,622)	(83,734)
Adjustments to cash flows from non-cash items			
Depreciation		<u>200,716</u>	<u>38,717</u>
		121,094	(45,017)
Working capital adjustments			
Increase in stocks	12	(82,614)	(484)
Increase in debtors	13	(41,653)	(18,332)
Increase in creditors	16	237,405	44,106
(Decrease)/increase in provisions		<u>(4,969)</u>	<u>852</u>
Net cash flows from operating activities		<u>229,263</u>	<u>(18,875)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	10	(439,396)	(77,286)
Sale of tangible fixed assets		<u>5,867</u>	<u>-</u>
Net cash flows from investing activities		(433,529)	(77,286)
Cash flows from financing activities			
Repayment of loans and borrowings	16	<u>49,000</u>	<u>(51,980)</u>
Net decrease in cash and cash equivalents		(155,266)	(148,141)
Cash and cash equivalents at 1 January		<u>281,020</u>	<u>429,161</u>
Cash and cash equivalents at 31 December		<u><u>125,754</u></u>	<u><u>281,020</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 16 to 28 form an integral part of these financial statements.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Charity status

The Mereside Education Trust is an unincorporated charity (registered number 1058933) registered in England and Wales. The registered address is Hartford Manor, Greenbank Lane, Northwich, CW8 1HW.

2 Accounting policies

Statement of compliance

The 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charity Act 2011.

Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mereside Education Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has also taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only statement of cash flows and certain disclosures about the Charity's financial instruments within the consolidated financial statements.

No separate SOFA has been prepared for the Charity alone.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

Income and endowments

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate, Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the consolidated statement of financial activities on a receivable basis, the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

Depreciation and amortisation

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives. Assets costing less than £500 are written off to SoFA in the year of purchase.

Asset class	Depreciation method and rate
Freehold property	2% Straight Line
Fixture & Fittings	25% Reducing Balance
Office Equipment	33% Straight Line

Current asset investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Trade debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Fund structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes, the costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Gifts and Donations	172,154	172,154
Total for 2022	172,154	172,154
Total for 2021	154,688	154,688

4 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading Income- Quanto Enterprise Ltd	1,787,785	1,787,785
Total for 2022	1,787,785	1,787,785

5 Expenditure on raising funds

a) Costs of trading activities

	Note	Unrestricted funds General £	Total funds £
Trading costs - Quanto Enterprise Ltd & Hartford Investments Ltd		1,389,116	1,389,116
Total for 2022		1,389,116	1,389,116
Total for 2021		1,163,371	1,163,371

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total funds £
Charitable Activities	7	650,445	650,445
Total for 2021		434,353	434,353

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

7 Analysis of support costs

Support costs allocated to charitable activities

	Governance costs	Finance costs	Administration costs	Premises costs including depreciation	Other support costs
	£	£	£	£	£
Charitable Activities	<u>93,421</u>	<u>181,034</u>	<u>328</u>	<u>180,162</u>	<u>195,500</u>
					Total 2022
					£
Charitable Activities					<u>650,445</u>
					Premises costs including depreciation
	£	£	£	£	£
Charitable Activities	<u>5,986</u>	<u>165,962</u>	<u>51,097</u>	<u>29,808</u>	<u>181,500</u>
					Total 2021
					£
Charitable Activities					<u>434,353</u>

Other support costs are donations made to OSG.

Staff costs are nil. The Mereside Education Trust is run entirely by volunteers.

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses from the charity during the year.

9 Auditors' remuneration

	2022 £	2021 £
Other fees to auditors		
The auditing of accounts of any associate of the charity	6,000	5,000
All other non-audit services	-	2,250
	<u>6,000</u>	<u>7,250</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

10 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2022	2,275,708	102,112	2,377,820
Additions	202,289	237,107	439,396
Disposals	-	(21,500)	(21,500)
At 31 December 2022	<u>2,477,997</u>	<u>317,719</u>	<u>2,795,716</u>
Depreciation			
At 1 January 2022	177,606	55,139	232,745
Charge for the year	176,828	23,888	200,715
Eliminated on disposals	-	(15,633)	(15,633)
At 31 December 2022	<u>354,433</u>	<u>63,394</u>	<u>417,827</u>
Net book value			
At 31 December 2022	<u>2,123,564</u>	<u>254,325</u>	<u>2,377,889</u>
At 31 December 2021	<u>2,098,102</u>	<u>46,973</u>	<u>2,145,075</u>

Charity

	Land and buildings £	Total £
Cost		
At 1 January 2022	739,786	739,786
Additions	66,757	66,757
At 31 December 2022	<u>806,543</u>	<u>806,543</u>
Depreciation		
At 1 January 2022	151,653	151,653
Charge for the year	157,244	157,244
At 31 December 2022	<u>308,897</u>	<u>308,897</u>
Net book value		
At 31 December 2022	<u>497,646</u>	<u>497,646</u>
At 31 December 2021	<u>588,133</u>	<u>588,133</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

11 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2022	202	202
At 31 December 2022	202	202
Net book value		
At 31 December 2022	202	202
At 31 December 2021	202	202

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2022	2021	
Subsidiary undertakings					
Quanto Enterprise Ltd	United Kingdom		100%	100%	Sale of retail goods
Hartford Investments Ltd	United Kingdom		100%	100%	Letting and operating of own real estate

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

Subsidiaries

The profit for the financial period of Quanto Enterprise Ltd was £408,239 (2021 - £188,525) and the aggregate amount of capital and reserves at the end of the period was £338,749 (2021 - £126,010).

The loss for the financial period of Hartford Investments Ltd was £9,570 (2021 - £(7,408)) and the aggregate amount of capital and reserves at the end of the period was £(426,190) (2021 - £(416,620)).

12 Stock

	Group		Charity
	2022	2021	2022
	£	£	£
Stocks	<u>182,228</u>	<u>99,614</u>	<u>-</u>

13 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	61,258	26,926	-	1,000
Prepayments	8,651	5,174	1,485	5,173
Other debtors	<u>12,000</u>	<u>8,156</u>	<u>1,895,619</u>	<u>1,895,619</u>
	<u>81,909</u>	<u>40,256</u>	<u>1,897,104</u>	<u>1,901,792</u>

14 Current asset investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Properties held for sale	<u>417,850</u>	<u>417,850</u>	<u>417,850</u>	<u>417,850</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

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

The carrying value of Tennyson Close, Stockport is £20,000 and the carrying value of Didsbury Road, Stockport is £397,850.

15 Cash and cash equivalents

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash on hand	206	1,288	206	206
Cash at bank	125,548	279,732	85,554	147,117
	<u>125,754</u>	<u>281,020</u>	<u>85,760</u>	<u>147,323</u>

16 Creditors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	3,376,000	3,542,600	3,326,000	3,076,000
Trade creditors	95,553	81,242	3,163	1,881
VAT grant repayable	(28,800)	4,259	-	(1,654)
Other creditors	168,065	17,764	19,268	13,677
Accruals	263,225	157,372	210,901	157,374
	<u>3,874,043</u>	<u>3,803,237</u>	<u>3,559,332</u>	<u>3,247,278</u>

17 Creditors: amounts falling due after one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Loans	<u>2,131,600</u>	<u>1,916,000</u>	<u>2,071,600</u>	<u>2,257,600</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

18 Funds

Group

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General	<u>(2,740,391)</u>	<u>1,959,939</u>	<u>(2,039,561)</u>	<u>(2,820,013)</u>

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
General	<u>(2,656,657)</u>	<u>1,513,990</u>	<u>(1,597,724)</u>	<u>(2,740,391)</u>

Charity

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General	<u>(2,449,578)</u>	<u>367,654</u>	<u>(650,446)</u>	<u>(2,732,370)</u>

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
General	<u>(2,347,912)</u>	<u>332,688</u>	<u>(434,354)</u>	<u>(2,449,578)</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

19 Analysis of net assets between funds

Group

	Unrestricted funds General £	Total funds at 31 December 2022 £
Tangible fixed assets	2,377,889	2,377,889
Current assets	807,741	807,741
Current liabilities	(3,874,043)	(3,874,043)
Creditors over 1 year	<u>(2,131,600)</u>	<u>(2,131,600)</u>
Total net assets	<u>(2,820,013)</u>	<u>(2,820,013)</u>
	Unrestricted funds General £	Total funds at 31 December 2021 £
Tangible fixed assets	2,145,075	2,145,075
Current assets	838,740	838,740
Current liabilities	(3,803,237)	(3,803,237)
Creditors over 1 year	<u>(1,916,000)</u>	<u>(1,916,000)</u>
Total net assets	<u>(2,735,422)</u>	<u>(2,735,422)</u>

The Mereside Education Trust

Notes to the Financial Statements for the Year Ended 31 December 2022

Charity

	Unrestricted funds General £	Total funds at 31 December 2022 £
Tangible fixed assets	497,646	497,646
Fixed asset investments	202	202
Current assets	2,400,714	2,400,714
Current liabilities	(3,559,332)	(3,559,332)
Creditors over 1 year	<u>(2,071,600)</u>	<u>(2,071,600)</u>
Total net assets	<u>(2,732,370)</u>	<u>(2,732,370)</u>
	Unrestricted funds General £	Total funds at 31 December 2021 £
Tangible fixed assets	588,133	588,133
Fixed asset investments	202	202
Current assets	2,466,965	2,466,965
Current liabilities	(3,247,278)	(3,247,278)
Creditors over 1 year	<u>(2,257,600)</u>	<u>(2,257,600)</u>
Total net assets	<u>(2,449,578)</u>	<u>(2,449,578)</u>

20 Related party transactions

Charity

As stated in Note 14, Quanto Enterprise Ltd was a wholly owned subsidiary undertaking of the Charity. £195,500 was received by the Charity from the subsidiary under gift aid.

Donations received by The Mereside Education Trust from Trustees and their related parties during the year totalled £11,030.

Loans owed by The Mereside Education Trust from Trustees and their related parties during the year totalled £5,300,000.

THE MERESIDE EDUCATION TRUST

England & Wales - Charity number 1058933

Accounts

THE MERESIDE EDUCATION TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE MERESIDE EDUCATION TRUST

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THE MERESIDE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Mr L Baldwin Mr M Chadwick Mr K Devenish Mr M Dunbar Mr J Hayward Mr M Hutchins Mr C Lewis Mr N Simpson Mr A Wells Mr V Wells
Charity registered number	1058933
Principal office	Hartford Manor Greenbank Lane Northwich CW8 1HW
Chief Executive Officer	Mr A Wells
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	NatWest Bank plc Altrincham Cheshire WA14 1DB

THE MERESIDE EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees of Mereside Education Trust present their annual report and audited accounts for the year ended 31st December 2021 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 through the provision of education sites and premises. The objects also include any other charitable purpose for the benefit of the worldwide Christian fellowship known as the Plymouth Brethren Christian Church. The Trust's main activities are the support of Brethren schools and the provision of grants to organisations that support children and families.

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

The Trust 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.

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

Structure, Governance and Management

Mereside Education Trust is constituted by a Deed of Trust dated 07 April 1995, amended 26 August 1996, 20 March 1997 and 18 December 2008 and is registered with the Charity Commission for England and Wales.

The Trustees who 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 Trust in the year ended 31st December 2021 (year ended 31st December 2020 £nil). The power to appoint Trustees is invested 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 and values of the Trust.

The Charity has two wholly owned subsidiary companies, Quanto Enterprise Ltd (Company Number 08068645), which undertakes trading activities and Hartford Investments Ltd (Company number 10279969), which owns the school premises in Northwich. All distributable profits from Quanto Enterprise Ltd are donated to the Trust. The results of Quanto Enterprise Ltd and Hartford Investments Ltd have been consolidated with those of the Trust in order to produce the consolidated financial statements which follow.

The Trustees have examined the major strategic, business and operational risks that the Trust faces. 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.

THE MERESIDE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Significant Activities

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

Financial Review

In the year ended 31st December 2021 the Group reported a net deficit of £83,734 (2020 deficit of £1,833,716). All funds are unrestricted.

The Trust is supported and financed by profits from its trading subsidiary Quanto Enterprise Ltd plus other ad hoc donations. In the year ended 31st December 2021 the Trust received £21,020 from Allerton Education Trust and £1,191 from DEVA Education Trust which is now dormant. The Trust also received £86,400 from the Grace Trust.

The Trust's fundraising events principally operate within the Brethren community and professional fundraisers are not used. Neither the Trust 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 trust.

The Trustees have exchanged contracts on the old school site in Stockport to purchase the property for £2.65m. Completion has a delay clause of between 6 to 12 months, concluding March 2023. The Hartford Manor site comprises the Manor House from which the school operates, an adjacent derelict cottage and approximately one acre of unused car parking area. The Trustees believe that the disposal of the cottage and / or surplus car park could raise additional funds without causing major disruption to the operation of the school, although no potential buyer has yet been sought.

Hartford Manor is held at a carrying value of £1.5m. The Manor has been valued in September 2021 at £2.8m. The Trustees intend to transfer Hartford Manor up into the Trust at the earliest opportunity as part of the structural simplification of the Group.

At 31 December 2021 the Trust and Group had substantial deficit funds of -£2,740,391 (2020: deficit funds of -£2,656,657). The long term aim for the Trust has been to hold sufficient reserves to meet three month's operating costs and to have sufficient funds to repay its loans as required. In the short to medium term, the Trustees hope that the sale of the old school site in Stockport will help to alleviate the shortfall in funds and the sale of excess land and / or buildings at the Hartford Manor site is also under consideration. The Trust continues to have numerous offers of long term loan support from "stakeholders" in the Trust (i.e.; graduated students and their parents or grandparents) which could be used to offset other loans requiring repayment. The Trustees hope to return to a net assets position by 2023.

As detailed in the reference to going concern in the accounting policy and 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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans For Future Periods

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 Trust's ethos and values.

THE MERESIDE EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the 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 and Wales 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 of the charitable group 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;
- 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 charity and group will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group 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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr N Simpson
Trustee
Date:



28.10.2022

THE MERESIDE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERESIDE EDUCATION TRUST

Opinion

We have audited the financial statements of The Mereside Education Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2021 and of the Group'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

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

THE MERESIDE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERESIDE EDUCATION TRUST (CONTINUED)

Conclusions relating to going concern

In auditing the financial statements, we 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 we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the 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.

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

The going concern basis is appropriate due to the ongoing donations received from the subsidiary Quanto Enterprise Ltd and the agreed sale of the assets held for sale (see note 19) post year end for £2.6m. The Group's Hartford Manor property has recently been valued at £2.8m as of 31 December 2020.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 the parent

THE MERESIDE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERESIDE EDUCATION TRUST (CONTINUED)

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 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

We have been appointed as auditor under section 151 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 an Auditor's report 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reviewing regulatory correspondence.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

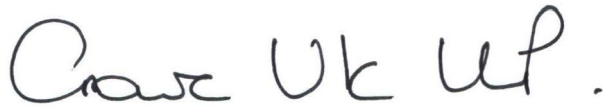
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

THE MERESIDE EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERESIDE EDUCATION TRUST
(CONTINUED)

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 Auditor's 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Crowe U.K. LLP." The signature is written in a cursive, slightly slanted style.

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 28 October 2022

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE MERESIDE EDUCATION TRUST

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

	Note	Unrestricted funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Income from:				
Donations and legacies	3	115,361	115,361	262,207
Other trading activities	4	1,359,302	1,359,302	1,064,792
Investments	5	-	-	74
Other income	6	39,327	39,327	2,677
Total income		1,513,990	1,513,990	1,329,750
Expenditure on:				
Raising funds	7,8	1,163,371	1,163,371	915,109
Charitable activities	9	434,353	434,353	258,230
Other expenditure	10	-	-	229,627
Total expenditure		1,597,724	1,597,724	1,402,966
Net expenditure before net losses on investments		(83,734)	(83,734)	(73,216)
Net losses on investments	16	-	-	(1,760,500)
Net movement in funds		(83,734)	(83,734)	(1,833,716)
Reconciliation of funds:				
Total funds brought forward	22	(2,656,657)	(2,656,657)	(822,941)
Net movement in funds	22	(83,734)	(83,734)	(1,833,716)
Total funds carried forward		(2,740,391)	(2,740,391)	(2,656,657)

THE MERESIDE EDUCATION TRUST

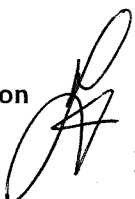
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	<i>As restated</i> 2020 £
Fixed assets			
Tangible assets	15	2,145,074	2,106,505
		<u>2,145,074</u>	<u>2,106,505</u>
Current assets			
Stocks	17	99,614	99,130
Debtors: amounts falling due within one year	18	40,255	24,361
Investments	19	417,850	417,850
Cash at bank and in hand		281,021	429,161
		<u>838,740</u>	<u>970,502</u>
Creditors: amounts falling due within one year	20	<u>(3,803,236)</u>	<u>(3,329,967)</u>
Net current liabilities		(2,964,496)	(2,359,465)
Total assets less current liabilities		(819,422)	(252,960)
Creditors: amounts falling due after more than one year	21	(1,916,000)	(2,399,580)
Deferred tax		(4,969)	(4,117)
Total net assets		<u>(2,740,391)</u>	<u>(2,656,657)</u>
Charity funds			
Unrestricted funds	22	(2,740,391)	(2,656,657)
Total funds		<u>(2,740,391)</u>	<u>(2,656,657)</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr N Simpson
Trustee

Date:


18.10.2022

The notes on pages 13 to 35 form part of these financial statements.

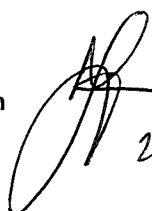
THE MERESIDE EDUCATION TRUST

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	<i>As restated</i> 2020 £
Fixed assets			
Tangible assets	15	588,133	588,133
Investments	16	202	202
		588,335	588,335
Current assets			
Debtors: amounts falling due within one year	18	7,827	5,173
Investments	19	417,850	417,850
Cash at bank and in hand		147,323	305,386
		573,000	728,409
Creditors: amounts falling due within one year	20	(3,590,531)	(3,160,695)
Net current liabilities		(3,017,531)	(2,432,286)
Total assets less current liabilities		(2,429,196)	(1,843,951)
Debtors: amounts falling due after more than one year		1,895,619	1,895,619
Creditors: amounts falling due after more than one year	21	(1,916,000)	(2,399,580)
Total net assets		(2,449,577)	(2,347,912)
Charity funds			
Unrestricted funds	22	(2,449,577)	(2,347,912)
Total funds		(2,449,577)	(2,347,912)

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr N Simpson
Trustee
Date:



28.10.2022

The notes on pages 13 to 35 form part of these financial statements.

THE MERESIDE EDUCATION TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	<i>As restated</i> 2020 £
Cash flows from operating activities		
Net cash used in operating activities	(18,874)	(27,898)
Cash flows from investing activities		
Interest and dividends	-	74
Purchase of tangible fixed assets	(77,286)	(6,874)
Correction to 2020 cash flow	-	(48,231)
Net cash used in investing activities	(77,286)	(55,031)
Cash flows from financing activities		
Repayments of borrowing	(678,580)	(203,000)
Cash inflows from new borrowing	626,600	581,000
Net cash (used in)/provided by financing activities	(51,980)	378,000
Change in cash and cash equivalents in the year	(148,140)	295,071
Cash and cash equivalents at the beginning of the year	429,161	134,090
Cash and cash equivalents at the end of the year	281,021	429,161

The notes on pages 13 to 35 form part of these financial statements

THE MERESIDE EDUCATION TRUST

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

1. General information

The Mereside Education Trust is an unincorporated charity (registered number 1058933) registered in England and Wales. The registered address is Hartford Manor, Greenbank Lane, Northwich, CW8 1HW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mereside Education Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has also taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only statement of cash flows and certain disclosures about the charity's financial instruments within the consolidated financial statements.

No separate SOFA has been prepared for the Charity alone.

2.2 Going concern

The Trustees are of the opinion that there is sufficient funding in place to continue activities of the charity. Therefore, the accounts have been prepared on a going concern basis. The Trustees consider the Trust to be a going concern due to the ongoing donations received from the subsidiary Quanto Enterprise Ltd, the sale of the assets held for sale (see note 19) post year end for £2.6m, and the Hartford Manor property, that is owned within the group, will be transferred to the Charity in the future. This has recently been valued at £2.8m as of 31 December 2020.

THE MERESIDE EDUCATION TRUST

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

2. Accounting policies (continued)

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

THE MERESIDE EDUCATION TRUST

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

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2%
Freehold improvements	-	20%
Plant and equipment	-	20%
Computer equipment	-	33%

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

THE MERESIDE EDUCATION TRUST

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

2. Accounting policies (continued)

2.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

THE MERESIDE EDUCATION TRUST

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

3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	-	1,997	1,997
Legacies	-	4,753	4,753
Grants	-	86,400	86,400
Income from other Trusts	-	22,211	22,211
	<u>-</u>	<u>115,361</u>	<u>115,361</u>

Income of £21,020 has been received from the Allerton Education Trust and £1,191 from DEVA Education Trust.

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Donations	3,600	136,795	140,395
Grants	-	121,812	121,812
	<u>3,600</u>	<u>258,607</u>	<u>262,207</u>

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Trading income from subsidiaries	<u>1,359,302</u>	<u>1,359,302</u>

THE MERESIDE EDUCATION TRUST

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

4. Income from other trading activities (continued)

Income from non charitable trading activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Trading income from subsidiaries	1,064,792	1,064,792

5. Investment income

	Total funds 2021 £
Bank interest	-

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	74	74

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £
Other income	39,327	39,327

THE MERESIDE EDUCATION TRUST

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

6. Other incoming resources (continued)

	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Other income	2,677	2,677

7. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £
Cost of sales	1,058,342	1,058,342
Administration expenses	88,198	88,198
Interest payable	(10,000)	(10,000)
Administration depreciation	26,831	26,831
	<u>1,163,371</u>	<u>1,163,371</u>

THE MERESIDE EDUCATION TRUST

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

7. Expenditure on raising funds (continued)

Other trading expenses (continued)

	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Cost of sales	772,546	772,546
Administration expenses	56,155	56,155
Interest payable	10,000	10,000
Administration depreciation	14,536	14,536
	<u>853,237</u>	<u>853,237</u>

8. Investment management costs

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2021 £</i>
Investment management costs		<u>-</u>
	<u>61,872</u>	<u>61,872</u>

THE MERESIDE EDUCATION TRUST

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total 2021 £
Charitable activities	434,353	434,353
	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Total 2020 £</i>
Charitable activities	258,230	258,230
	<hr/> <hr/>	<hr/> <hr/>

THE MERESIDE EDUCATION TRUST

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

10. Other expenditure

			Total funds 2021 £
Other expenditure			-
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
OneSchool Global UK transfer	3,600	226,027	229,627

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	181,500	252,853	434,353
	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Charitable activities	44,110	214,120	258,230

THE MERESIDE EDUCATION TRUST

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

11. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	-	40,010
Termination payments	-	4,100
Donation	181,500	-
	<hr/> 181,500 <hr/>	<hr/> 44,110 <hr/>

In 2021 donations were made to OSGUK.

Staff costs are nil in 2021. The Mereside Education Trust is run entirely by volunteers.

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Premises costs	29,808	211
Administrative costs	21,962	5,105
Finance costs	165,962	196,333
Professional charges	21,962	3,138
Governance costs	5,986	9,333
Sundry costs	7,173	-
	<hr/> 252,853 <hr/>	<hr/> 214,120 <hr/>

12. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £5,000 (2020 - £5,530), and non-audit services of £2,250 (2020 - £ -).

THE MERESIDE EDUCATION TRUST

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

13. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Wages and salaries	-	29,687	-	29,687
Social security costs	-	3,294	-	3,294
Pension contributions	-	7,029	-	7,029
Termination payments	-	4,100	-	4,100
	<u>-</u>	<u>44,110</u>	<u>-</u>	<u>44,110</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	<i>Group 2020 No.</i>	Charity 2021 No.	<i>Charity 2020 No.</i>
Teaching Staff	-	1	-	1

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	-	1

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE MERESIDE EDUCATION TRUST

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

15. Tangible fixed assets

Group

	Freehold property and improvements £	Plant and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	2,225,499	66,347	8,687	2,300,533
Additions	50,208	27,078	-	77,286
At 31 December 2021	<u>2,275,707</u>	<u>93,425</u>	<u>8,687</u>	<u>2,377,819</u>
Depreciation				
At 1 January 2021	157,596	31,057	5,375	194,028
Charge for the year	20,010	17,234	1,473	38,717
At 31 December 2021	<u>177,606</u>	<u>48,291</u>	<u>6,848</u>	<u>232,745</u>
Net book value				
At 31 December 2021	<u>2,098,101</u>	<u>45,134</u>	<u>1,839</u>	<u>2,145,074</u>
<i>At 31 December 2020</i>	<u>2,067,903</u>	<u>35,290</u>	<u>3,312</u>	<u>2,106,505</u>

The property held within Hartford Investments Limited is Hartford Manor. This is held at a carrying value of £1.5m. Hartford Manor has been valued in September 2021 at £2.8m as at 31 December 2020.

Lending of £2.4m has been secured on Hatford Manor in 2021 and 2020, see note 21.

THE MERESIDE EDUCATION TRUST

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

15. Tangible fixed assets (continued)

Charity

	Property improvements £
Cost or valuation	
At 1 January 2021	739,786
At 31 December 2021	<u>739,786</u>
Depreciation	
At 1 January 2021	151,653
At 31 December 2021	<u>151,653</u>
Net book value	
At 31 December 2021	<u>588,133</u>
<i>At 31 December 2020</i>	<u>588,133</u>

The charity only b/f values have been restated. The costs above comprise the repurposing and refurbishment costs of Hartford Manor which is owned by the trading subsidiary Hartford Investments Limited. These costs were borne by The Mereside Education Trust with a view to occupying the premises under a deemed lease agreement by virtue of its parent / subsidiary relationship with the Company. On 1 January 2020 Hartford Investments Limited entered into a lease agreement for Hartford Manor with OneSchool Global UK, effectively ceasing its deemed lease with The Mereside Education Trust.

THE MERESIDE EDUCATION TRUST

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

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	3,174,625
At 31 December 2021	<u>3,174,625</u>
Impairment	
At 1 January 2021	3,174,625
At 31 December 2021	<u>3,174,625</u>
	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 January 2021	3,174,627
At 31 December 2021	<u>3,174,627</u>
Impairment	
At 1 January 2021	3,174,425
At 31 December 2021	<u>3,174,425</u>
Net book value	
At 31 December 2021	<u>202</u>
At 31 December 2020	<u>202</u>

The brought forward balances have been restated and the investment impaired in the prior year by a further £1,659,887. The investment in subsidiaries is equal to the investment in the share capital.

THE MERESIDE EDUCATION TRUST

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

16. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office or principal place of business	Principal activity
Quanto Enterprise Ltd	08068645	Crows Nest Business Centre, Tattenhall Road, Newton-By-Tattenhall, Chester, Cheshire, CH3 9BD	Sale of retail goods
Hartford Investments Limited	10279969	C/O Montacs, International House Kingsfield Court, Chester Business Park, Chester, Cheshire, England, CH4 9RF	Letting and operating of own real estate

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Quanto Enterprise Ltd	1,354,302	1,343,777	10,525	126,010
Hartford Investments Limited	5,000	(2,408)	7,408	(416,620)

17. Stocks

	Group 2021 £	Group 2020 £
Stock	99,614	99,130

18. Debtors

	Charity 2021 £	Charity 2020 £
Due after more than one year		
Amounts owed by group undertakings	1,895,619	1,895,619

Amounts due from subsidiary companies after more than one year comprise an interest free loan made by The Mereside Education Trust to Hartford Investments Ltd under the terms of a share purchase agreement on 21 September 2018.

THE MERESIDE EDUCATION TRUST

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

18. Debtors (continued)

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Due within one year				
Trade debtors	26,926	7,820	1,000	-
Other debtors	8,156	11,368	1,654	-
Prepayments and accrued income	5,173	5,173	5,173	5,173
	<u>40,255</u>	<u>24,361</u>	<u>7,827</u>	<u>5,173</u>

19. Current asset investments

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

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Properties held for sale	<u>417,850</u>	<u>417,850</u>	<u>417,850</u>	<u>417,850</u>

The carrying value of Tennyson Close, Stockport is £20,000 and the carrying value of Didsbury Road, Stockport is £397,850.

The assets have been sold post year for £2.6m. Contracts have been exchanged and deposits paid. Completion is expected in early 2023.

THE MERESIDE EDUCATION TRUST

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

20. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group As restated 2020 £</i>	Charity 2021 £	<i>Charity As restated 2020 £</i>
Loans	3,417,600	3,041,000	3,417,600	3,041,000
Other loans	125,000	70,000	-	-
Trade creditors	81,242	63,543	1,881	2,963
Amounts owed to group undertakings	-	2,437	12,000	2,437
Other taxation and social security	4,259	8,749	-	-
Other creditors	17,762	29,352	1,677	409
Accruals and deferred income	157,373	114,886	157,373	113,886
	<u>3,803,236</u>	<u>3,329,967</u>	<u>3,590,531</u>	<u>3,160,695</u>

21. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Loans	1,916,000	2,399,580	1,916,000	2,399,580

Loans falling due within one year, and after more than one year, comprise a non concessionary loan of £2.4m secured on the Group's premises, Hartford Manor. Interest is payable at 3.5% above base rate. All other loans were concessionary, unsecured loans with either zero or below market rates of interest.

THE MERESIDE EDUCATION TRUST

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

22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds				
General Funds	(2,656,657)	1,513,990	(1,597,724)	(2,740,391)

Statement of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>As restated Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
Unrestricted funds					
General Funds	(822,941)	1,326,150	(1,399,366)	(1,760,500)	(2,656,657)
Restricted funds					
Capital fund	-	3,600	(3,600)	-	-
Total of funds	(822,941)	1,329,750	(1,402,966)	(1,760,500)	(2,656,657)

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

THE MERESIDE EDUCATION TRUST

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

23. Summary of funds

Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
General funds	(2,656,657)	1,513,990	(1,597,724)	(2,740,391)

Summary of funds - prior year

	<i>Balance at 1 January 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>As restated Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
General funds	(822,941)	1,326,150	(1,399,366)	(1,760,500)	(2,656,657)
Restricted funds	-	3,600	(3,600)	-	-
	<u>(822,941)</u>	<u>1,329,750</u>	<u>(1,402,966)</u>	<u>(1,760,500)</u>	<u>(2,656,657)</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,145,074	2,145,074
Current assets	838,740	838,740
Creditors due within one year	(3,803,236)	(3,803,236)
Creditors due in more than one year	(1,916,000)	(1,916,000)
Provisions for liabilities and charges	(4,969)	(4,969)
Total	<u>(2,740,391)</u>	<u>(2,740,391)</u>

THE MERESIDE EDUCATION TRUST

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

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	2,106,505	2,106,505
Current assets	970,502	970,502
Creditors due within one year	(3,329,967)	(3,329,967)
Creditors due in more than one year	(2,399,580)	(2,399,580)
Provisions for liabilities and charges	(4,117)	(4,117)
Total	<u><u>(2,656,657)</u></u>	<u><u>(2,656,657)</u></u>

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	<i>Group As restated 2020 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	<u>(83,734)</u>	<u>(1,833,716)</u>
Adjustments for:		
Depreciation charges	38,717	132,978
Amortisation charges	-	1,619,582
Interest income shown in investing activities	-	(74)
Increase in stocks	(484)	(9,617)
Decrease/(increase) in debtors	(15,894)	25,425
Increase in creditors	42,521	37,524
Net cash used in operating activities	<u><u>(18,874)</u></u>	<u><u>(27,898)</u></u>

THE MERESIDE EDUCATION TRUST

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

26. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	281,021	429,161
Total cash and cash equivalents	281,021	429,161

27. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	429,161	(148,140)	281,021
Debt due within 1 year	(3,111,000)	(431,600)	(3,542,600)
Debt due after 1 year	(2,399,580)	483,580	(1,916,000)
Liquid investments	417,850	-	417,850
	(4,663,569)	(96,160)	(4,759,729)

THE MERESIDE EDUCATION TRUST

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

28. Related party transactions

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

	Balance b/f 2021 £	Advanced in the year £	Repaid in the year £	Bal c/f 2021 £	2020 £
K Devenish	69,000	56,600	(39,000)	86,600	69,000
M Dunbar	25,000	-	-	25,000	25,000
J Hayward	20,000	-	-	20,000	20,000
M Hutchins	100,000	400,000	-	500,000	100,000
C Lewis	45,000	-	-	45,000	45,000
N Simpson	65,000	105,000	-	170,000	65,000
A Wells	450,000	-	-	450,000	450,000
V Wells	100,000	-	(100,000)	-	100,000
	<u>874,000</u>	<u>561,600</u>	<u>(139,000)</u>	<u>1,296,600</u>	<u>874,000</u>

Group loans include an additional unsecured balances of £15,000 due to F Davey, the daughter of B Davey, a Director of Quanto Enterprise Ltd and £10,000 due to O Thorstensen, brother of G Thorstensen, a Director of Quanto Enterprise Ltd.

29. Post balance sheet events

The assets held for sale (see note 19) have been sold post year for £2.6m. Contracts have been exchanged and deposits paid. Completion is expected in early 2023.

THE MERESIDE EDUCATION TRUST

England & Wales - Charity number 1058933

Accounts

The Mereside Education Trust
Report and Financial Statements

31 Dec 2020

Charity number: 1058933

**The Mereside Education Trust
Report and Financial Statements
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The Mereside Education Trust
Legal and administrative information

Trustees

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

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

Chief Executive Officer

Mr A Wells

Address of Principal Office

Hartford Manor
Greenbank Lane
Northwich
CW8 1HW

Department for Education

Registration number
356/6030

Auditor

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

Accountants

Oldfield Services
Santis House
Curriers Close
Coventry
CV4 8AW

Bankers

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

Solicitors

Rothwell and Evans
3 Claremont Road
Sale
Cheshire
M33 7DZ

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

The Mereside Education Trust

Report of the Trustees for the year ended 31 Dec 2020

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

Structure, governance and management

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

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

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

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

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

Objectives and activities

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

Ethos - Students attending Brethren schools are encouraged to develop their full potential and acquire the discipline of learning how to learn, while upholding Christian teachings and beliefs. The truth and authority of the Holy Bible and strong family values underpin the commitment of the School to provide quality in every facet of education – curriculum, teachers, facilities, management and discipline - in a safe and caring environment.

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

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

The Mereside Education Trust

Report of the Trustees for the year ended 31 Dec 2020

Objectives and activities (continued)

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

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

Achievements and performance

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

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

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

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

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

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

The Mereside Education Trust

Report of the Trustees for the year ended 31 Dec 2020

Financial Review

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

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

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

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

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

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

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

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

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

Plans for future periods

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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


The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and the Charity and of the incoming resources and application of resources of the Group and the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group or Charity will continue in operation.

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

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

Approved by the Trustees and signed on their behalf by:



Mr N Simpson, Trustee

28.10.2021

Date

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

Opinion

I have audited the financial statements of The Mereside Education Trust (the "Parent Charity") and its subsidiaries (the "Group") for the year ended 31 December 2020, which comprise the Group and Charity Statements of Financial Activities, the Group and Charity Balance Sheets, the Group and Charity Cash Flow Statements and Group and Charity Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Group's and Parent Charity's affairs as at 31 December 2020 and of the Group's and Parent Charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Material uncertainty related to going concern

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

Conclusions relating to going concern

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

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

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

Other information

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

I have nothing to report in this regard.

Matters on which I am required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below:

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

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Use of my report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My audit work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my audit work, for this report, or for the opinions I have formed.



28 October 2021

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

Date

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the trustees and signed on their behalf by:



Mr N Simpson, Trustee

28.10.2021

Date

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

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

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

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

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

1 Accounting policies

{a} Basis of preparation

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

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements and consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and UK Generally Accepted Practice. The financial statements are prepared on a going concern basis under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

{b} Method of consolidation

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

{c} Funds

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

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

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

{d} Income recognition

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

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

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

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

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

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

1 Accounting policies (continued)

{e} Expenditure recognition

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

- Costs of raising funds includes the costs of fundraising and trading activities
 - Expenditure on charitable activities comprises the costs of provision of education and associated costs
- Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

{f} Support costs allocation

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

{g} Intangible fixed assets - goodwill

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

{h} Tangible fixed assets

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

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

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

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

{i} Investments

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

{j} Stocks

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

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

1 Accounting policies (continued)

{k} Debtors and creditors

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

{l} Concessionary loans

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

{m} Impairment

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

{n} Provisions

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

{o} Employee benefits

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

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

{p} Tax

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

{q} Going concern

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

{r} Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or the period of the revision and future periods where the revision affects both current and future periods.

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

2 OneSchool Global UK

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

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

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

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

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

3 Going Concern and Covid-19

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

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

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

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

4 Donations and legacies	Group		Charity	
	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Gifts and donations	107,488	149,835	69,688	112,035

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

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

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

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

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

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

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

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

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

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

10 Trustees' expenses and remuneration

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

11 Allocation of support costs

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

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

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

The Mereside Education Trust
Notes forming part of the financial statements
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12 Net movement in funds for the year

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

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

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

13 Staff costs

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

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

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

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

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

14 Teachers' pension scheme

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

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

The Mereside Education Trust
Notes forming part of the financial statements
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14 Teachers' pension scheme (continued)

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rate set at 23.6% of pensionable pay from 1 September 2019 (16.4% to 30 August 2019) (including a 0.08% employer administration charge);
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million;
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- The assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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

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

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

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

15 Intangible fixed asset - goodwill

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

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

The Mereside Education Trust
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16 Tangible fixed assets

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

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

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

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

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

The Mereside Education Trust
Notes forming part of the financial statements
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17 Fixed asset investments

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

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

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

The Mereside Education Trust
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17 Fixed asset investments (continued)

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

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

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

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

18 Debtors

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

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

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

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

The Mereside Education Trust
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19 Current investments

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

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

20 Creditors: amounts falling due within one year

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

21 Creditors: amounts falling due after more than one year

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

22 Loans

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

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

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

The Mereside Education Trust
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23 Deferred income

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

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

24 Summary of fund movements

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

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

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

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25 Analysis of net assets by fund

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

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

26 Related party transactions

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

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

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

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

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

The Mereside Education Trust
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27 Controlling party and ultimate controlling party

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

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

1 OneSchool Global UK

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

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

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

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