

Charity registration number: 1058933

The Mereside Education Trust

Trustees' Report and Financial Statements

for the Year Ended 31 December 2023

mca Banbury Ltd
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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.

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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
		<u>735,769</u>	<u>497,848</u>
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
		<u>2,079,147</u>	<u>2,400,714</u>
Creditors: Amounts falling due within one year	16	<u>(172,929)</u>	<u>(3,559,332)</u>
Net current assets/(liabilities)		<u>1,906,218</u>	<u>(1,158,618)</u>
Total assets less current liabilities		<u>2,641,987</u>	<u>(660,770)</u>
Creditors: Amounts falling due after more than one year	17	<u>(2,952,600)</u>	<u>(2,071,600)</u>
Net liabilities		<u><u>(310,613)</u></u>	<u><u>(2,732,370)</u></u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>(310,613)</u>	<u>(2,732,370)</u>
Total funds	18	<u><u>(310,613)</u></u>	<u><u>(2,732,370)</u></u>

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><u>303,540</u></u>	<u><u>125,754</u></u>

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

The notes on pages 14 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 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	<u>233,978</u>
Total for 2023	233,978	<u><u>233,978</u></u>
Total for 2022	172,154	<u><u>172,154</u></u>

4 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading Income- Quanto Enterprise Ltd	1,849,990	<u>1,849,990</u>
Total for 2023	<u><u>1,849,990</u></u>	<u><u>1,849,990</u></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		<u>1,698,088</u>	<u>1,698,088</u>
Total for 2023		<u><u>1,698,088</u></u>	<u><u>1,698,088</u></u>
Total for 2022		<u><u>1,389,116</u></u>	<u><u>1,389,116</u></u>

6 Expenditure on charitable activities

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

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>
	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>

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 £
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	(3,070,735)	(3,070,735)
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	(2,131,600)	(2,131,600)
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.