

**Charity Registration No. 1063272**

**ERMINE EDUCATION TRUST**  
**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

**ERMINE EDUCATION TRUST  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**LEGAL AND ADMINISTRATIVE INFORMATION**

<b><u>Trustees</u></b>	Mr D J Stacey Mr A Lewis Mr M Stay Mr K R Price Mr J G Stacey
<b><u>Charity registered number</u></b>	1063272
<b><u>Principal Office</u></b>	Langley House Station Road Standon Herts SG11 1QN
<b><u>Independent Auditor</u></b>	Azets Audit Services Alpha House 4 Greek Street Stockport SK4 8AB
<b><u>Bankers</u></b>	Royal Bank of Scotland Plc 1 Hardman Boulevard Manchester M3 3AQ  NatWest Bank Plc 1 Hardman Boulevard Manchester M3 3AQ

# **ERMINE EDUCATION TRUST CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

## **TRUSTEES' ANNUAL REPORT**

The Trustees of Ermine 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. 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 one premise under formal lease for an independent school based in The Oaks, Potton Road, Biggleswade, 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**

Ermine Education Trust is constituted by a Deed of Trust dated 10<sup>th</sup> May 1997 and is registered with the Charity Commission for England.

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.

# **ERMINE EDUCATION TRUST CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

## **TRUSTEES' ANNUAL REPORT (continued)**

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.

### **Significant Activities**

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

The Trust has a wholly owned subsidiary company, Fusion Trading (Biggleswade) Limited, company number 07159595. All profits chargeable to corporation tax are gifted to the Trust in support of the charitable activities of the Trust. The results of Fusion Trading (Biggleswade) Limited have been consolidated in these financial statement for the five months of ownership, the shares being donated to the Trust.

### **Financial Review**

In the year ended 31<sup>st</sup> December 2021 the Trust reported a net surplus of £20,106 (2020 deficit of £38,677). The Group reported a net surplus of £450,317 (2020 deficit of £38,677). All funds are unrestricted at the year end.

The Trust is supported and financed principally by profits from its trading subsidiary "Fusion Trading (Biggleswade) Ltd" plus other ad hoc donations. The Trustees believe that the Trust's funds are sufficient to mitigate any short to medium term risk of reduced funding.

The Trust's fundraising events principally operate within the Brethren community and professional fundraisers are not used. Neither the 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' policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £210,000. At 31<sup>st</sup> December 2021 the free reserves of the Trust were £3,081,875 (31<sup>st</sup> December 2020 £3,061,769).

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.

**ERMINE EDUCATION TRUST  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**TRUSTEES' ANNUAL REPORT (continued)**

**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 the Trustees and signed on their behalf by:



**Mr Jarl G Stacey**

Chair of Trustees

Date

FEB 2023

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**INDEPENDENT AUDITOR'S REPORT**

**Qualified opinion on financial statements**

We have audited the financial statements of the Ermine 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 to 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 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 the reporting periods beginning on or after 1 January 2015.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- Give a true and fair view of 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 qualified opinion**

The financial statements for the year ended 31 December 2020 were unaudited; we were appointed as auditors after the current year end, and have been unable to carry out auditing procedures necessary to obtain adequate assurance regarding the opening balances and comparative figures including the stock as at 31 December 2020. Also, due to accepting the engagement post year end, we were unable to attend the physical stock count as at 31 December 2021.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statement 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 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.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**INDEPENDENT AUDITOR'S REPORT (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.

**Other Information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors 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.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**INDEPENDENT AUDITOR'S REPORT (continued)**

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charity's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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 152 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlines 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 details below; We obtained understanding of the legal and regulatory frameworks within which the charity operates, focussing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The law 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 this laws and regulations as apart 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 statement 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 the irregularities, sample testing on the posting 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 not have detected some material misstatements in the financial statement, 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, as these may involve collusion, forgery, intentional omissions, misinterpretations, or the overrides 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 statement is located on the Financial reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**ERMINE EDUCATION TRUST  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**INDEPENDENT AUDITOR'S REPORT (continued)**

**Use of our report**

Our report is made solely to the charities' trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken to that we might state to the charities trustees those matters we are required to state to them in as 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.





21/12/2023

**Jonathan Ward (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services**

**Chartered Accountants  
Statutory Auditor**

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Alpha House  
4 Greek Street  
Stockport, Cheshire, SK3 8AB

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	688,221	12,080	700,301	187,178
Charitable activities	4	5,000	-	5,000	5,000
Other trading activities	8	1,148,130	-	1,148,130	-
Investments	5	23	-	23	127
<b>Total Income</b>		<b>1,841,374</b>	<b>12,080</b>	<b>1,853,454</b>	<b>192,305</b>
<b>Expenditure on:</b>					
Charitable activities	6	417,105	-	417,105	230,982
Other trading activities	8	983,588	-	983,588	-
Other expenditure	12	2,444	-	2,444	-
<b>Total expenditure</b>		<b>1,403,137</b>	<b>-</b>	<b>1,403,137</b>	<b>230,982</b>
<b>Net Incoming/(outgoing) resources before transfers</b>		<b>438,237</b>	<b>12,080</b>	<b>450,317</b>	<b>(38,677)</b>
Transfers between funds		12,080	(12,080)	-	-
<b>Net income/(expenditure) for the year/Net movement in funds</b>		<b>450,317</b>	<b>-</b>	<b>450,317</b>	<b>(38,677)</b>
Total funds brought forward		3,061,769	-	3,061,769	3,100,446
<b>Total funds carried forward</b>	19	<b>3,512,086</b>	<b>-</b>	<b>3,512,086</b>	<b>3,061,769</b>

The consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**CONSOLIDATED BALANCE SHEET**

			2021	2020
	Note	£	£	£
<b>Fixed Assets</b>				
Tangible assets	13		3,117,185	3,128,987
<b>Current Assets</b>				
Stocks		183,544	-	-
Debtors	15	44,893	915	915
Cash in bank and in hand		466,159	251,787	251,787
		<u>694,596</u>	<u>252,702</u>	<u>252,702</u>
Current Liabilities	16	(166,246)	(162,390)	(162,390)
<b>Net current assets</b>			528,350	90,312
<b>Total assets less current liabilities</b>			<u>3,645,535</u>	<u>3,219,299</u>
Creditors: amounts falling due after more than one year	17		(133,449)	(157,530)
<b>Total net assets</b>			<u>3,512,086</u>	<u>3,061,769</u>
<b>Charity funds</b>				
Unrestricted funds	19		3,512,086	3,061,769
<b>Total Funds</b>			<u>3,512,086</u>	<u>3,061,769</u>

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



**Mr Jarl G Stacey**  
Chair of Trustees

Date Feb 2023

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**CHARITY BALANCE SHEET**

			2021		2020
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	13a		3,021,812		3,128,987
Investment in subsidiary	14		4		-
<b>Current Assets</b>					
Debtors	15		-	915	
Cash in bank and in hand		183,731		251,787	
		<u>183,731</u>		<u>252,702</u>	
Current Liabilities	16	(15,222)		(162,390)	
<b>Net current assets</b>			168,509		90,312
<b>Total assets less current liabilities</b>			<u>3,190,325</u>		<u>3,219,299</u>
Creditors: amounts falling due after 17 more than one year			(108,450)		(157,530)
<b>Total net assets</b>			<u>3,081,875</u>		<u>3,061,769</u>
<b>Charity funds</b>					
Unrestricted funds			3,081,875		3,061,769
<b>Total Funds</b>	19		<u>3,081,875</u>		<u>3,061,769</u>

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



**Mr Jarl G Stacey**  
Chair of Trustees

Date FEB 2023

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**CONSOLIDATED CASH FLOW**

	Notes	2021		2020	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	21		198,690		190,856
<b>Cash flows from investing activities</b>					
Interest received		23		127	
Purchase of subsidiary		(4)		-	
Acquired through Fusion Trading (Biggleswade) Limited		213,615		-	
Proceeds from disposal of fixed assets		9,500		-	
Purchase of tangible fixed assets		(160,452)		(10,726)	
<b>Net cash used in investing activities</b>			62,682		(10,599)
<b>Cash flows in financial activities</b>					
Repayments of borrowing		(47,000)		(70,000)	
<b>Net cash (used in) / produced by financial activities</b>			(47,000)		(70,000)
<b>Change in cash and cash equivalents in the year</b>			214,372		110,257
Cash and cash equivalents at the beginning of the year			251,787		141,530
<b>Cash and cash equivalents at the end of the year</b>			466,159		251,787

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

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting policies**

**Company information**

Ermine Education Trust is an unincorporated charity (Charity number 1096941) registered charity in England and Wales. Governed by a Trust Deed dated 10 May 1997.

**1.1 Accounting convention and basis of preparation**

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 Companies Act 2006.

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

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Charity has taken advantage of paragraph 1.11 Section 1, Cashflows, of FRS102 and as such has not shown an individual charity cashflow statement within these financial statements on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included within these financial statements includes the Charity's own cash flows.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees have considered the 12 month period after the date of approval of these financial statements and are confident taking all relevant information into consideration, that the charity will have sufficient resources to remain solvent and continue to meet its liabilities as they fall due. Accordingly, the financial statements continue to be prepared on the going concern basis.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or Deeds of Covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

**1.5 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment but not accrued as expenditure. All resources expended are inclusive of irrecoverable VAT.

**1.6 Tangible & Intangible fixed assets**

Tangible and intangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and Buildings	10 years straight line and 20% and 5% reducing balance
Plant and machinery	30% and 50% reducing balance and 25% straight line
Leasehold Improvements	2% straight line
Fixtures, Fittings & Equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/ (expenditure) for the year.

**1.7 Stock**

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

**1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1.9 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial instruments**

The charity has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash at bank and in hand balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1.12 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the terms of the relevant lease.

**1.14 Accounting for donated goods**

A requirement of Charities SORP 2015 is to recognise the income from receipts of donated goods at the fair value of the goods received.

SORP also includes the following paragraph:

"When applying these requirements an entity must take into consideration whether the resources can be measured reliably and whether the benefits of recognising the resource outweigh the costs".

The requirements make it clear that the intention is for charities to recognise donated goods at fair value on receipt unless either the provision of such information is immaterial or the cost of obtaining and establishing such reliable information outweighs the benefit that the provision of such information in the financial statement will provide to the users of those statements.

The Trustees concluded that the cost of calculating and including a stock value in the financial statement, outweighs any benefit to the users of those accounts. The Trustees agreed that the Finance Committee will consider this policy on an annual basis and make recommendations to the board based upon that review.

**2. Critical accounting estimates and judgement**

In the application of the charity's accounting policies, the trustees are required to make judgements, 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 in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the trustees, there are no critical accounting estimates or judgements.

**3. Donations, legacies and grants**

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2021	2021	2021	2020
	£	£	£	£
Donations and gifts	688,221	12,080	700,301	35,000
Focus Learning Trust grant	-	-	-	152,178
	<u>688,221</u>	<u>12,080</u>	<u>700,301</u>	<u>187,178</u>
<b>For the year ended 31 December 2020</b>	<u>187,178</u>	<u>-</u>		<u>187,178</u>

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**4. Charitable activities**

	<b>Rental Income 2021</b>	<b>Rental Income 2020</b>
	<b>£</b>	<b>£</b>
Charitable rental income	5,000	5,000

The lease with OneSchool Global UK is in place until 31 December 2027.

**5. Investments**

	<b>Unrestricted funds 2021</b>	<b>Unrestricted funds 2020</b>
	<b>£</b>	<b>£</b>
Interest receivable	23	127

**6. Charitable activities**

	<b>School premises ownership 2021</b>	<b>School premises ownership 2020</b>
	<b>£</b>	<b>£</b>
Depreciation and impairment	240,157	228,832
Repairs and maintenance	2,759	-
Telephone	76	110
Motor expenses	25	-
Security costs	1,580	-
Donations and gifts	160,000	-
	<b>404,597</b>	<b>228,942</b>
Share of governance costs (see note 9)	12,508	2,040
	<b>417,105</b>	<b>230,982</b>

**7. Description of charitable activities**

School premises ownership

School land and building maintenance.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8. Income from other trading activities**

Income from non-charitable trading activities for the period 1 August 2021 to 31 December 2021 :

	Unrestricted Funds	Total Funds
	2021	2020
	£	£
Turnover	1,138,909	-
Release of other debtor	(14,324)	-
Cost of sales	(801,642)	-
	322,943	-
Donations received	9,221	-
Administrative expenses	(167,621)	-
Related profit	164,543	-
Distributions to parent charity under gift aid	(160,000)	-
	4,543	-
Retained profit brought forward	-	-
Retained profit carried forward	4,543	-

**9. Support costs**

The charity allocates its support costs as shown below and then further apportions those costs between the trust's activities on the basis of each operation. The basis is consistent with the use of resources.

	Support Costs	Governance Costs	2021	Support Costs	Governance costs	2020
	£	£	£	£	£	£
Audit fee	-	9,600	9,600	-	1,500	1,500
Legal and professional	-	2,908	2,908	-	540	540
	-	12,508	12,508	-	2,040	2,040
Analysed between charitable activities	-	12,508	12,508	-	2,040	2,040

**10. Trustees**

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursed expenses from the charity during the year (2020: £Nil)

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11. Employees**

There were no employees during the year.

**12. Other**

	Unrestricted Funds 2021 £	Total Funds 2020 £
Net loss on disposals of tangible fixed assets	2,444	-
	<u>2,444</u>	<u>-</u>

**13. Tangible & Intangible fixed assets - Group**

	Land and buildings	Leasehold Improvements	Plant and machinery	Total Tangible
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	3,996,009	-	49,639	4,045,648
Additions	135,428	5,793	19,231	160,452
Business combinations (net of transfers)	-	54,978	56,684	111,662
Disposals	-	(20,000)	(49,639)	(69,639)
	<u>4,131,437</u>	<u>40,771</u>	<u>75,915</u>	<u>4,248,123</u>
<b>At 31 December 2021</b>				
<b>Depreciation and Impairment</b>				
At 1 January 2021	870,539	-	46,122	916,661
Depreciation charged in the year	239,086	5,799	18,753	263,638
Depreciation elim on disposal	-	(2,167)	(47,194)	(49,361)
	<u>1,109,625</u>	<u>3,632</u>	<u>17,681</u>	<u>1,130,938</u>
<b>At 31 December 2021</b>				
<b>Carrying amount</b>				
31 December 2021	<u>3,021,812</u>	<u>37,139</u>	<u>58,234</u>	<u>3,117,185</u>
31 December 2020	<u>3,125,470</u>	<u>-</u>	<u>3,517</u>	<u>3,128,987</u>

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**13a. Tangible & Intangible fixed assets – Charity**

	Land and buildings	Leasehold Improvements	Plant and machinery	Total Tangible
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	3,996,009	-	49,639	4,045,648
Additions	135,428	-	-	135,428
Transfers	-	-	-	-
Disposals			(49,639)	(49,639)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	4,131,437	-	-	4,131,437
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>				
At 1 January 2021	870,539	-	46,122	916,661
Depreciation charged in the year	239,086	-	1,072	240,158
Depreciation elim on disposal	-	-	(47,194)	(47,194)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	1,109,625	-	-	1,109,625
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>				
31 December 2021	3,021,812	-	-	3,021,812
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2020	3,125,470	-	3,517	3,128,987
	<hr/>	<hr/>	<hr/>	<hr/>

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>14. Fixed asset investments</b>	<b>Notes</b>	<b>2021 (Charity) £</b>	<b>2020 (Charity) £</b>
Investments in subsidiaries		4	-
		<u>          </u>	<u>          </u>

**Movements in fixed asset investments**

	<b>Shares £</b>
<b>Cost or valuation</b>	
At 31 December 2021	4
	<u>          </u>
<b>Carrying amount</b>	
31 December 2021	4
	<u>          </u>

**Principal subsidiary**

The following was a subsidiary undertaking of the Charity:

<b>Name</b>	<b>Company number</b>	<b>Registered office</b>	<b>Principal activity</b>
Fusion Trading (Biggleswade) Limited	07159595	The Oaks, Potton Road, Biggleswade, Bedfordshire, SG18 OER	Sale of retail goods

The donation of shares to the Trust from the previous shareholders took place on 31 July 2021.

The financial results of the subsidiary for the year to 31 December 2021 were:

<b>Name</b>	<b>Income</b>	<b>Expenditure</b>	<b>Profit for the year</b>	<b>Net assets</b>
Fusion Trading (Biggleswade) Limited	2,600,205	1,828,519	489,442	430,214

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. Debtors**

	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	42,932	-	890
Other debtors	1,708	-	25
Prepayments and accrued income	253	-	-
	<u>44,893</u>	<u>-</u>	<u>915</u>

**16. Creditors: amounts falling due within one year**

	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	106,714	2,568	890
Other creditors	41,491	-	160,000
Accruals and deferred income	18,041	12,654	1,500
	<u>166,246</u>	<u>15,222</u>	<u>162,390</u>

**17. Creditors: amounts falling due after more than one year**

	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Other creditors	<u>133,449</u>	<u>108,450</u>	<u>157,530</u>

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**18. Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes.

	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£
Beechwood Trust	-	12,080	-	(12,080)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The grant from Beechwood Trust was originally a loan that was reclassified in the year; the grant was released through a transfer once used for capital expenditure.

**19. Analysis of net assets between funds**

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Fund balances at 31 December 2021 are represented by:			
Intangible & Tangible assets	3,117,185	-	3,117,185
Net current assets	528,350	-	528,350
Creditors due in more than one year	(133,449)	-	(133,449)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b>3,512,086</b>	<b>-</b>	<b>3,512,086</b>
	<u>          </u>	<u>          </u>	<u>          </u>

**20. Related party transactions**

There are no related party transactions (2020 : £nil).

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**21. Operating leases**

At the reporting end date the charity had rental commitments for future minimum lease receipts under non-cancellable operating leases

	<b>Group</b>	<b>Charity</b>
	<b>2021</b>	<b>2020</b>
<b>£</b>	<b>£</b>	<b>£</b>
	30,000	35,000

**22. Acquisitions**

	<b>Book Value</b>
	<b>£</b>
Property, plant and equipment	134,636
Stock	182,066
Trade and other receivables	55,723
Cash and cash equivalents	213,615
Borrowings	(34,999)
Trade and other payables	(125,369)
	<hr/>
Total identifiable net assets	425,672
Share capital	(4)
	<hr/>
Total consideration	425,688
	<hr/>

The consideration was satisfied by:

The purchase transfer of £4 share capital and the remaining value of the net assets are considered a donation.

**ERMINE EDUCATION TRUST**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**23. Cash generated (absorbed) from operations**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus / (Deficit) for the year	450,317	(38,677)
Adjustments for:		
Investment income recognised in profit or loss	(23)	(127)
Depreciation and impairment of tangible fixed assets	263,638	228,832
Loss on sale of tangible fixed assets	10,777	-
Fixed asset transfers	22,975	-
Loans waived	(172,080)	-
Donation of trading subsidiary	(425,668)	-
Movements in working capital:		
Decrease / (Increase) in stock	(1,477)	-
Decrease / (Increase) in debtors	11,744	(211)
(Decrease) / Increase in creditors	38,487	1,039
	<hr/>	<hr/>
<b>Cash generated / (absorbed) from operations</b>	<b>198,690</b>	<b>190,856</b>
	<hr/>	<hr/>