

**MEDWAY EDUCATION TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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## MEDWAY EDUCATION TRUST

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### CONTENTS

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	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 3
Trustees' responsibilities statement	4
Independent auditor's report on the financial statements	5 - 8
Consolidated statement of financial activities	9
Consolidated balance sheet	10
Charity balance sheet	11
Consolidated statement of cash flows	12
Notes to the financial statements	13 - 31

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MEDWAY EDUCATION TRUST

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

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	S Frost S Bell J Bruce S Campbell T Dupont
Charity registered number	1066592
Principal office	OneSchool Global UK Maidstone Campus Heath Road Linton Maidstone Kent ME17 4HT
Chief executive officer	J Bruce
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Bankers	HSBC Sittingbourne - Digital Service Branch 115 High Street Sittingbourne Kent ME10 4AL

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## MEDWAY EDUCATION TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The Trustees of Medway Education Trust present their annual report and audited accounts for the year ended 31st December 2021 and confirm they comply with the requirements of the Charities Act 2011, the Trust deed, FRS102 and the Charities SORP (FRS 102).

#### **Objectives and Activities**

The charitable objects of the Trust are the advancement of the education of children and young people through the provision of education sites and premises. The objects also include any other charitable purpose for the benefit of the worldwide Christian fellowship known as the Plymouth Brethren Christian Church.

The Trust's main activities are the support of Brethren schools and the provision of grants to organisations that support children and families.

In furtherance of its objects, the Trust provides one premise under formal lease for an independent school based in Heath Road Maidstone Kent ME17 4HT, which has been run by OneSchool Global UK (OSGUK).

A separate building is also provided to Linton Projects Ltd a Subsidiary Campus Trading company for local Campus & Co shop under a separate lease.

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**

Medway Education Trust is constituted by a Deed of Trust dated 08 10 1997, amended 05 01 2005 and is registered with the Charity Commission for England and Wales.

The Trustees who served during the year and since the year end are set out on page 1. None of the Trustees, nor any person connected with them, received any remuneration from the Trust in the year ended 31st December 2021 (year ended 31st December 2020 £nil). The power to appoint Trustees is invested in the existing Trustees subject to the Trust Deed requirement. Trustees are selected according to their own specialism in a particular field and are expected to pursue that specialism. New Trustees are instructed in the need to completely adhere to the ethos and values of the Trust.

The 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.

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## MEDWAY EDUCATION TRUST

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

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The Trust has a wholly owned subsidiary company, Linton Projects Ltd 05684296 which undertakes trading activities. All profits chargeable to corporation tax are gifted to the Trust in support of the charitable activities of the Trust.

#### Financial Review

In the year ended 31st December 2021 the Group reported a net surplus of £21,728 (2020 deficit of £117,393). All funds are unrestricted.

The Trust is supported and financed principally by profits from its trading subsidiary Linton Projects Ltd 05684296 plus other ad hoc donations and those raised by fundraising events and grants from the Grace Trust. 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.

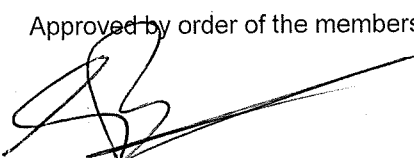
The Trustees' policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £10,000. At 31st December 2021 the free reserves of the Trust were £88,410 (31st December 2020 £139,058).

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.

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



J Bruce  
Trustee  
Date:

31.01.23

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## MEDWAY EDUCATION TRUST

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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



J Bruce

Trustee

Date:

31.01.23

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## MEDWAY EDUCATION TRUST

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDWAY EDUCATION TRUST

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#### Opinion

We have audited the financial statements of Medway Education Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

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

#### 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.

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## MEDWAY EDUCATION TRUST

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

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#### Other information

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

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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.



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## MEDWAY EDUCATION TRUST

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

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#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

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**MEDWAY EDUCATION TRUST**


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

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**Use of our report**

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



**Crowe U.K. LLP**  
Statutory Auditor  
Fourth Floor  
St James House  
St James Square  
Cheltenham  
GL50 3PR

Date: 31 January 2023

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

**MEDWAY EDUCATION TRUST**

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

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	-	193,520	193,520	90,456
Charitable activities	4	-	17,000	17,000	5,000
Other trading activities	5	-	2,434,541	2,434,541	1,917,631
Investments	6	-	10	10	257
<b>Total income</b>		-	2,645,071	2,645,071	2,013,344
<b>Expenditure on:</b>					
Raising funds	7	-	2,095,799	2,095,799	1,605,759
Charitable activities	8	-	527,544	527,544	524,978
<b>Total expenditure</b>		-	2,623,343	2,623,343	2,130,737
<b>Net income/(expenditure)</b>		-	21,728	21,728	(117,393)
Transfers between funds	18	(435,704)	435,704	-	-
<b>Net movement in funds</b>		(435,704)	457,432	21,728	(117,393)
<b>Reconciliation of funds:</b>					
Total funds brought forward	18	435,704	3,998,439	4,434,143	4,551,536
Net movement in funds	18	(435,704)	457,432	21,728	(117,393)
<b>Total funds carried forward</b>		-	4,455,871	4,455,871	4,434,143

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


The notes on pages 13 to 31 form part of these financial statements.

MEDWAY EDUCATION TRUST

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2021

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Tangible assets	12	4,506,227	4,458,901
		<u>4,506,227</u>	<u>4,458,901</u>
<b>Current assets</b>			
Stocks	14	231,657	290,252
Debtors	15	23,782	121,023
Cash at bank and in hand		430,688	304,213
		<u>686,127</u>	<u>715,488</u>
Creditors: amounts falling due within one year	16	(685,531)	(696,079)
<b>Net current assets</b>		<u>596</u>	<u>19,409</u>
<b>Total assets less current liabilities</b>		<u>4,506,823</u>	<u>4,478,310</u>
Creditors: amounts falling due after more than one year	17	(50,952)	(44,167)
<b>Total net assets</b>		<u><u>4,455,871</u></u>	<u><u>4,434,143</u></u>
<b>Charity funds</b>			
Restricted funds	18	-	435,704
Unrestricted funds	18	4,455,871	3,998,439
<b>Total funds</b>		<u><u>4,455,871</u></u>	<u><u>4,434,143</u></u>

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

  
**J Bruce**  
 Trustee  
 Date: 31.01.23

The notes on pages 13 to 31 form part of these financial statements.

**MEDWAY EDUCATION TRUST**

**CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Tangible assets	12	4,094,982	4,086,348
Investments	13	2	2
		<u>4,094,984</u>	<u>4,086,350</u>
<b>Current assets</b>			
Debtors	15	514	934
Cash at bank and in hand		94,626	251,612
		<u>95,140</u>	<u>252,546</u>
Creditors: amounts falling due within one year	16	(6,732)	(113,490)
<b>Net current assets</b>		<u>88,408</u>	<u>139,056</u>
<b>Total assets less current liabilities</b>		<u>4,183,392</u>	<u>4,225,406</u>
<b>Total net assets</b>		<u><u>4,183,392</u></u>	<u><u>4,225,406</u></u>
<b>Charity funds</b>			
Restricted funds	18	-	435,704
Unrestricted funds	18	4,183,392	3,789,702
<b>Total funds</b>		<u><u>4,183,392</u></u>	<u><u>4,225,406</u></u>

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



**J Bruce**  
Trustee

Date:

31.01.23

The notes on pages 13 to 31 form part of these financial statements.

**MEDWAY EDUCATION TRUST**

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

	Note	2021 £	<i>As restated</i> 2020 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	365,699	256,208
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(202,879)	(281,907)
Interest received		10	257
Disposal of tangible fixed assets		1,019	-
<b>Net cash used in investing activities</b>		(201,850)	(281,650)
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(60,000)	-
New finance leases		22,626	-
<b>Net cash (used in)/provided by financing activities</b>		(37,374)	-
<b>Change in cash and cash equivalents in the year</b>		126,475	(25,442)
Cash and cash equivalents at the beginning of the year		304,213	329,655
<b>Cash and cash equivalents at the end of the year</b>	21	430,688	304,213

The notes on pages 13 to 31 form part of these financial statements

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## MEDWAY EDUCATION TRUST

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

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#### 1. General information

Medway Education Trust is an unincorporated charity (registered number 1066592) registered in England and Wales. The registered address is OSGUK Maidstone Campus, Heath Road, Linton, Maidstone, Kent, ME17 4HT.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

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

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

No separate SOFA has been prepared for the Charity alone.

##### 2.2 Going concern

The Trustees are of the opinion that there is sufficient funding in place to continue activities of the charity. Therefore, the accounts have been prepared on a going concern basis.

##### 2.3 Income

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

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.

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## MEDWAY EDUCATION TRUST

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

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#### 2. Accounting policies (continued)

##### 2.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

##### 2.5 Interest receivable

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

##### 2.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% reducing balance

##### 2.7 Investments

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

##### 2.8 Stocks

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

##### 2.9 Debtors

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



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## MEDWAY EDUCATION TRUST

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

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#### 2. Accounting policies (continued)

##### 2.10 Cash at bank and in hand

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

##### 2.11 Liabilities and provisions

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

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

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

##### 2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### 2.13 Fund accounting

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

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

#### 3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	-	47,240	47,240
Grants	-	146,280	146,280
	<u>-</u>	<u>193,520</u>	<u>193,520</u>

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**MEDWAY EDUCATION TRUST**

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

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**3. Income from donations and legacies (continued)**

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Donations	39,581	50,875	90,456

**4. Income from charitable activities**

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Rental income	17,000	17,000

	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Rental income	5,000	5,000

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**MEDWAY EDUCATION TRUST**

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

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**5. Income from other trading activities**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Trading income - Linton Projects Ltd	2,434,541	2,434,541

	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Trading income - Linton Projects Ltd	1,917,631	1,917,631

**6. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Interest income	10	10

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MEDWAY EDUCATION TRUST

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

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6. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Interest income	257	257

7. Expenditure on raising funds

Other trading expenses - Linton Projects Ltd

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Cost of sales	1,815,824	1,815,824
Administration expenses	210,374	210,374
Interest payable	8,239	8,239
Administration depreciation	61,362	61,362
	<u>2,095,799</u>	<u>2,095,799</u>

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**MEDWAY EDUCATION TRUST**

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

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**7. Expenditure on raising funds (continued)**

**Other trading expenses - Linton Projects Ltd (continued)**

	<i>Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Cost of sales	1,444,586	1,444,586
Administration expenses	127,637	127,637
Interest payable	6,603	6,603
Administration depreciation	26,933	26,933
	<u>1,605,759</u>	<u>1,605,759</u>

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £</b>	<b>Total 2021 £</b>
Charitable activities	<u>527,544</u>	<u>527,544</u>

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total 2020 £</i>
Charitable activities	<u>11,485</u>	<u>513,493</u>	<u>524,978</u>

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**MEDWAY EDUCATION TRUST**

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

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**9. Analysis of expenditure by activities**

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	412,430	115,114	<b>527,544</b>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Costs of activities	416,543	108,435	524,978

**Analysis of direct costs**

	Total funds 2021 £	Total funds 2020 £
Donations	<b>412,430</b>	416,543

Donations were made to OSGUK.

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MEDWAY EDUCATION TRUST

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

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Depreciation	93,173	92,275
Other costs	(1,087)	-
Finance charges	1,415	6,560
Professional fees	11,101	9,600
Premises cost	10,512	-
	<u>115,114</u>	<u>108,435</u>

Staff costs are nil. Medway Education Trust is run wholly by volunteers.

10. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £5,000 (2020 - £5,400), and non audit services of £2,250 (2020 - £9,800).

11. Trustees' remuneration and expenses

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

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

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**MEDWAY EDUCATION TRUST**

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

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**12. Tangible fixed assets**

**Group**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	5,331,855	-	172,242	5,504,097
Additions	168,531	25,500	8,848	202,879
Disposals	-	-	(1,019)	(1,019)
At 31 December 2021	<u>5,500,386</u>	<u>25,500</u>	<u>180,071</u>	<u>5,705,957</u>
<b>Depreciation</b>				
At 1 January 2021	980,687	-	64,509	1,045,196
Charge for the year	127,590	3,825	23,119	154,534
At 31 December 2021	<u>1,108,277</u>	<u>3,825</u>	<u>87,628</u>	<u>1,199,730</u>
<b>Net book value</b>				
At 31 December 2021	<u>4,392,109</u>	<u>21,675</u>	<u>92,443</u>	<u>4,506,227</u>
At 31 December 2020	<u>4,351,168</u>	<u>-</u>	<u>107,733</u>	<u>4,458,901</u>



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MEDWAY EDUCATION TRUST

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

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12. Tangible fixed assets (continued)

Charity

	Freehold property £
<b>Cost or valuation</b>	
At 1 January 2021	4,987,687
Additions	101,807
	<hr/>
At 31 December 2021	5,089,494
	<hr/>
<b>Depreciation</b>	
At 1 January 2021	901,339
Charge for the year	93,173
	<hr/>
At 31 December 2021	994,512
	<hr/>
<b>Net book value</b>	
At 31 December 2021	4,094,982
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At 31 December 2020	4,086,348
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MEDWAY EDUCATION TRUST

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

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13. Fixed asset investments

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Linton Projects Ltd	055684296	OSGUK Maidstone Campus, Heath Road, Maidstone, Kent, ME17 4HT	Sale of retail goods

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Linton Projects Ltd	2,434,541	(2,370,799)	63,742	272,481

**MEDWAY EDUCATION TRUST**

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

**14. Stocks**

	<b>Group 2021 £</b>	<i>Group As restated 2020 £</i>
Stock	<b>231,657</b>	<i>290,252</i>

**15. Debtors**

	<b>Group 2021 £</b>	<i>Group As restated 2020 £</i>	<b>Charity 2021 £</b>	<i>Charity As restated 2020 £</i>
<b>Due within one year</b>				
Trade debtors	<b>18,769</b>	<i>110,986</i>	<b>-</b>	<i>420</i>
Other debtors	<b>1,096</b>	<i>643</i>	<b>514</b>	<i>-</i>
Prepayments and accrued income	<b>3,917</b>	<i>9,394</i>	<b>-</b>	<i>514</i>
	<b>23,782</b>	<i>121,023</i>	<b>514</b>	<i>934</i>

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

	<b>Group 2021 £</b>	<i>Group As restated 2020 £</i>	<b>Charity 2021 £</b>	<i>Charity As restated 2020 £</i>
Bank overdrafts	<b>10,000</b>	<i>5,833</i>	<b>-</b>	<i>-</i>
Other loans	<b>408,500</b>	<i>458,500</i>	<b>-</b>	<i>85,000</i>
Trade creditors	<b>198,283</b>	<i>102,280</i>	<b>1,733</b>	<i>377</i>
Other taxation and social security	<b>10,492</b>	<i>18,988</i>	<b>-</b>	<i>-</i>
Obligations under finance lease and hire purchase contracts	<b>5,841</b>	<i>-</i>	<b>-</b>	<i>-</i>
Other creditors	<b>26,903</b>	<i>21,829</i>	<b>-</b>	<i>-</i>
Accruals and deferred income	<b>25,512</b>	<i>88,649</i>	<b>4,999</b>	<i>28,113</i>
	<b>685,531</b>	<i>696,079</i>	<b>6,732</b>	<i>113,490</i>

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MEDWAY EDUCATION TRUST

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

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

	Group 2021 £	Group <i>As restated</i> 2020 £
Bank loans	34,167	44,167
Net obligations under finance lease and hire purchase contracts	16,785	-
	<u>50,952</u>	<u>44,167</u>

MEDWAY EDUCATION TRUST

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

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>					
General Funds - all funds	3,998,439	2,645,071	(2,623,343)	435,704	4,455,871
<b>Restricted funds</b>					
Restricted Funds - all funds	435,704	-	-	(435,704)	-
<b>Total of funds</b>	<b>4,434,143</b>	<b>2,645,071</b>	<b>(2,623,343)</b>	<b>-</b>	<b>4,455,871</b>

Following a review of funds held and clarification from The Grace Trust, £435,704 of restricted funds have been transferred to unrestricted funds in line with the objectives of the Charity.

**MEDWAY EDUCATION TRUST**

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

**18. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 January 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2020 £</i>
<b>Unrestricted funds</b>					
General Funds - all funds	<u>4,104,347</u>	<u>1,973,763</u>	<u>(2,119,252)</u>	<u>39,581</u>	<u>3,998,439</u>
<b>Restricted funds</b>					
Restricted Funds - all funds	<u>447,189</u>	<u>39,581</u>	<u>(11,485)</u>	<u>(39,581)</u>	<u>435,704</u>
<b>Total of funds</b>	<u><u>4,551,536</u></u>	<u><u>2,013,344</u></u>	<u><u>(2,130,737)</u></u>	<u><u>-</u></u>	<u><u>4,434,143</u></u>

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

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	4,506,227	<b>4,506,227</b>
Current assets	686,127	<b>686,127</b>
Creditors due within one year	(685,531)	<b>(685,531)</b>
Creditors due in more than one year	(50,952)	<b>(50,952)</b>
<b>Total</b>	<u><u>4,455,871</u></u>	<u><u>4,455,871</u></u>

MEDWAY EDUCATION TRUST

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

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	435,704	4,023,197	4,458,901
Current assets	-	715,488	715,488
Creditors due within one year	-	(696,079)	(696,079)
Creditors due in more than one year	-	(44,167)	(44,167)
<b>Total</b>	<b>435,704</b>	<b>3,998,439</b>	<b>4,434,143</b>

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

	<i>Group 2021 £</i>	<i>Group As restated 2020 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	21,728	(117,393)
<b>Adjustments for:</b>		
Depreciation charges	154,534	198,556
Interest received	(10)	(257)
Decrease/(increase) in stocks	58,595	(79,489)
Decrease in debtors	97,241	38,013
Increase in creditors	33,611	141,116
Prior year adjustment to net income	-	75,662
<b>Net cash provided by operating activities</b>	<b>365,699</b>	<b>256,208</b>

MEDWAY EDUCATION TRUST

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

21. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	430,688	304,213
<b>Total cash and cash equivalents</b>	<b>430,688</b>	<b>304,213</b>

22. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	304,213	126,475	430,688
Bank overdrafts repayable on demand	(5,833)	(4,167)	(10,000)
Debt due within 1 year	(458,500)	50,000	(408,500)
Debt due after 1 year	(44,167)	10,000	(34,167)
Finance leases	-	(22,626)	(22,626)
	<b>(204,287)</b>	<b>159,682</b>	<b>(44,605)</b>

23. Operating lease commitments

At 31 December 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	12,000	12,000
Later than 1 year and not later than 5 years	48,000	48,000
Later than 5 years	12,000	24,000
	<b>72,000</b>	<b>84,000</b>



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MEDWAY EDUCATION TRUST

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

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**24. Related party transactions**

As stated in note 14, Linton Projects Ltd was a wholly owned subsidiary undertaking of the Charity. £275,000 (2020: £307,500) was received by the Charity from the subsidiary under gift aid.

Unsecured loans, interest free, have been provided to Linton Projects Ltd by immediate family members of the Directors of Linton Projects Ltd and immediate family members of a Trustee of Medway Education Trust. Year end related party loan balances are as follows:

	2021 £	2020 £
A Campbell	15,000	15,000
A Ware & L Ware	10,000	-
C Mumford & C Mumford	5,000	5,000
G Mumford & E Mumford	10,000	10,000
H Mumford	5,000	5,000
J Ware	10,000	-
W Bruce	20,000	20,000
	<u>75,000</u>	<u>55,000</u>

