

MEDWAY EDUCATION TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MEDWAY EDUCATION TRUST

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MEDWAY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

S Frost
S Bell
J Bruce
S Campbell
T Dupont

J Bruce holds title to freehold land and buildings at Maidstone Campus, Heath Road, Maidstone, ME17 4HT.
Ex Trustee, C Groombridge, holds title to freehold land and buildings at Maidstone Campus, Heath Road, Maidstone, ME17 4HT

Charity registered number 1066592

Principal office

OneSchoolGlobalUK
Maidstone Campus
Heath Road
Linton
Kent
ME17 4HT

Independent auditors

Byrd Link Audit & Accountancy Services Limited
Honeybourne Place
Jessop Avenue
Cheltenham
GL50 3SH

Bankers

HSBC
Sittingbourne- Digital Service Branch
115 High Street
Settingbourne
Kent
ME10 4AL

MEDWAY EDUCATION TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report, along with the consolidated financial statements of Medway Education Trust (the charity) and its subsidiary, Linton Projects Ltd, for the year ended 31 December 2022. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the requirements of the Charities Act 2011 and the Trust Deed.

Objectives and activities

The charitable objects of the charity are the advancement of the education of children and young people from ages five to eighteen in particular by assistance to their parents to enable such children to be taught otherwise than as at school as defined in the Education Acts and any other charitable purpose for the benefit of the worldwide Christian fellowship known as the Plymouth Brethren Christian Church.

In furtherance of its objects, the Trust provides one premise under formal lease for an independent school based in Heath Road, Maidstone, Kent, ME17 4HT, which is run by OneSchoolGlobalUK (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 charity also provides grant funding and other financial support to OSGUK at the discretion of the Trustees in order to enable OSGUK to provide a well balanced education at primary and secondary levels, for children and young people whose parents appreciate the Christian ethos.

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

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have regard to it when reviewing their aims and objectives, and in planning their future activities. In particular they consider how planned activities will contribute to the educational aims and objectives they have set.

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

The trading activities of the charity's trading subsidiary Linton Projects Ltd (Registered Number 05684296), which operates a chain of convenience stores, are undertaken by volunteers.

Significant Activities

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

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

Financial Review

The charity is supported and financed principally by profits from its trading subsidiary, Linton Projects Ltd, plus other ad hoc donations and those raised by fundraising events and grants from the Grace Trust. The Trustees believe that the charity's funds are sufficient to mitigate any short to medium term risk of reduced funding.

The charity's fundraising events principally operate within the Brethren community. As part of the Trust's commitment to the highest possible standards of fundraising, the Trustees take steps to ensure that all fundraising activities are compliance with legislative, regulatory and best practice standards. During 2022, all interactions with the general public were carried out by volunteers.

MEDWAY EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

As a policy, the Trust seeks to respond to all complaints within 10 days. The most serious complaints are escalated to Trustees so they can consider lessons learnt. There have been no complaints about fundraising activity in the year ended 31 December 2022.

Over the period the Trust continued to undertake significant efforts to ensure compliance with the General Data Protection Regulation (GDPR), which came in to effect in May 2018. We remain entirely committed to protecting personal information of our supporters and beneficiaries. This work will continue during 2023 and beyond.

In the year ended 31st December 2022 the charity reported a net surplus of £107,105 (2021: deficit of £42,014). The group reported a net surplus £132,256 (2021: surplus of £21,728).

At the year end the charity had net current assets of £138,066 (2021: net current assets of £88,408). The group had net current assets of £50,152 (2021: net current assets of £596).

The charity's policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £5,000. At the year ended 31 December 2022 the free reserves of the Trust were £138,066 (2021: £88,408).

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.

Principal Risks

The Trustees have examined the major strategic, business and operational risks that the charity faces. The Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The principal risks to the charity are:

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

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

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 charity's ethos and values.

Structure, Governance and Management

Medway Education Trust is constituted by a Deed of Trust dated 08 October 1997, amended 05 January 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 charity in the year ended 31

MEDWAY EDUCATION TRUST

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

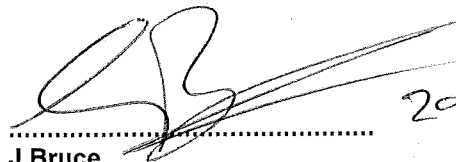
December 2022 (2021: £nil).

The power to appoint Trustees is invested in the existing Trustees subject to the charity Deed requirement. Trustees are selected according to their own specialism in a particular field and are expected to pursue that specialism. New Trustees are instructed in the need to completely adhere to the ethos and values of the charity.

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

Decision making remains with the Trustees and there are no key management personnel to whom management is delegated. As such, arrangements for setting pay and remuneration of key management personnel are not required at this time.

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


29.06.23
.....
J Bruce
Trustee

MEDWAY EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

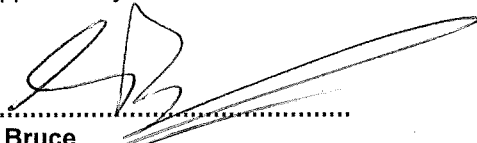
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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: 29.06.23

MEDWAY EDUCATION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDWAY EDUCATION TRUST

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 2022 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 2022 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 Auditors' 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.

MEDWAY EDUCATION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDWAY EDUCATION TRUST (CONTINUED)

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.

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.

MEDWAY EDUCATION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDWAY EDUCATION TRUST (CONTINUED)

Auditors' 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 Auditors' 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 and the group 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 Charity Commission, Charities Act 2011, HM Revenue & Customs and the Companies Act 2006 (for the subsidiary company). We have assessed the impact of breaches in such laws and regulations and considered whether any such findings have a material impact on the financial statements. Audit procedures conducted including making enquiries with Trustees and management as well as reviewing correspondence and legal expenditure.

We have considered the risk of management override of controls. Our audit procedures to respond to this risk 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.

Another area of risk is the risk of fraud within revenue recognition. Our procedures to respond to this risk included sample testing of income streams from source and agreeing through to the financial system and bank statements.

Our audit procedures, together with our assessment of risks identified at planning were transparent to the charity and have been communicated to the Trustees as well as the engagement team. Owing to the nature of an audit, where we can only work on a sample of financial transactions, 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) are 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. Ultimately, it is the responsibility of the Trustees for the prevention and detection of fraud and non-compliance.

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

MEDWAY EDUCATION TRUST

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

Use of our report

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

Byrd Link Audit & Accountancy Services Ltd

Byrd Link Audit & Accountancy Services Limited

Honeybourne Place
Jessop Avenue
Cheltenham
GL50 3SH

Date: 20 July 2023

Byrd Link Audit & Accountancy Services Limited 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 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	235,358	235,358	193,520
Charitable activities	4	14,167	14,167	17,000
Other trading activities	5	2,726,646	2,726,646	2,434,541
Investments	6	18	18	10
Total income		2,976,189	2,976,189	2,645,071
Expenditure on:				
Raising funds	7	2,341,513	2,341,513	2,095,799
Charitable activities	8	502,420	502,420	527,544
Total expenditure		2,843,933	2,843,933	2,623,343
Net movement in funds		132,256	132,256	21,728
Reconciliation of funds:				
Total funds brought forward		4,455,871	4,455,871	4,434,143
Net movement in funds		132,256	132,256	21,728
Total funds carried forward		4,588,127	4,588,127	4,455,871

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

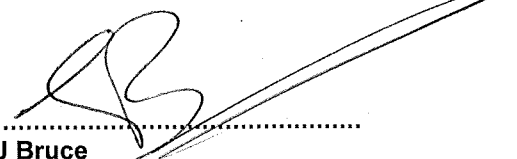
The notes on pages 14 to 29 form part of these financial statements.

MEDWAY EDUCATION TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	4,575,928	4,506,227
		<u>4,575,928</u>	<u>4,506,227</u>
Current assets			
Stocks		260,880	231,657
Debtors	14	189,187	23,782
Cash at bank and in hand		245,737	430,688
		<u>695,804</u>	<u>686,127</u>
Creditors: amounts falling due within one year	15	(645,652)	(685,531)
Net current assets		<u>50,152</u>	<u>596</u>
Total assets less current liabilities		<u>4,626,080</u>	<u>4,506,823</u>
Creditors: amounts falling due after more than one year	16	(37,962)	(50,952)
Net assets excluding pension asset		<u>4,588,118</u>	<u>4,455,871</u>
Total net assets		<u><u>4,588,118</u></u>	<u><u>4,455,871</u></u>
Charity funds			
Restricted funds	17	-	-
Unrestricted funds			
General funds	17	4,588,118	4,455,871
Total unrestricted funds	17	<u>4,588,118</u>	<u>4,455,871</u>
Total funds		<u><u>4,588,118</u></u>	<u><u>4,455,871</u></u>

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


J Bruce

Trustee

Date:

29.06.23

The notes on pages 14 to 29 form part of these financial statements.


MEDWAY EDUCATION TRUST

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	4,059,929	4,094,982
Investments	13	92,502	2
		<u>4,152,431</u>	<u>4,094,984</u>
Current assets			
Debtors	14	38,185	514
Cash at bank and in hand		111,516	94,626
		<u>149,701</u>	<u>95,140</u>
Creditors: amounts falling due within one year	15	(11,635)	(6,732)
Net current assets		<u>138,066</u>	<u>88,408</u>
Total assets less current liabilities		<u>4,290,497</u>	<u>4,183,392</u>
Net assets excluding pension asset		<u>4,290,497</u>	<u>4,183,392</u>
Total net assets		<u><u>4,290,497</u></u>	<u><u>4,183,392</u></u>
Charity funds			
Restricted funds	17	-	-
Unrestricted funds	17	4,290,497	4,183,392
Total funds		<u><u>4,290,497</u></u>	<u><u>4,183,392</u></u>

The Charity's net movement in funds for the year was £107,105 (2021 - £(42,014)).

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


J Bruce
Trustee
29.06.23

The notes on pages 14 to 29 form part of these financial statements.

MEDWAY EDUCATION TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	116,117	365,699
Cash flows from investing activities		
Purchase of tangible fixed asset	(233,187)	(202,879)
Interest received	9	10
Disposal of tangible fixed asset	-	1,019
Net cash used in investing activities	(233,178)	(201,850)
Cash flows from financing activities		
Repayments of borrowing	(64,000)	(60,000)
New finance leases	-	22,626
Repayments of finance leases	(3,890)	-
Net cash used in financing activities	(67,890)	(37,374)
Change in cash and cash equivalents in the year	(184,951)	126,475
Cash and cash equivalents at the beginning of the year	430,688	304,213
Cash and cash equivalents at the end of the year	245,737	430,688

The notes on pages 14 to 29 form part of these financial statements

MEDWAY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Medway Education Trust is an unincorporated charity (registered number 1066592) registered in England and Wales. The registered address is OneSchoolGlobalUK, 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.

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.

MEDWAY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Income

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

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.

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
Property improvements - Linton	-	10% straight line
Projects Ltd		
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% reducing balance

MEDWAY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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.

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.

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	129,626	129,626	47,240
Other Donations and Grants	105,732	105,732	146,280
	<u>235,358</u>	<u>235,358</u>	<u>193,520</u>
<i>Total 2021</i>	<u>193,520</u>	<u>193,520</u>	

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	14,167	14,167	17,000
	<u>17,000</u>	<u>17,000</u>	
<i>Total 2021</i>	<u>17,000</u>	<u>17,000</u>	

5. Income from other trading activities - Linton Projects Ltd

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Sales	2,622,570	2,622,570	2,372,395
Other income	104,076	104,076	62,146
	<u>2,726,646</u>	<u>2,726,646</u>	<u>2,434,541</u>
<i>Total 2021</i>	<u>2,434,541</u>	<u>2,434,541</u>	

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest income	9	9	10
Interest receivable	9	9	-
	<u>18</u>	<u>18</u>	<u>10</u>
<i>Total 2021</i>	<u>10</u>	<u>10</u>	

7. Expenditure on trading activities - Linton Projects Ltd

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Cost of sales	2,031,283	2,031,283	1,815,824
Administration expenses	269,009	269,009	244,792
Interest payable	13,541	13,541	8,239
Depreciation	27,680	27,680	26,944
	<u>2,341,513</u>	<u>2,341,513</u>	<u>2,095,799</u>
<i>Total 2021</i>	<u>2,095,799</u>	<u>2,095,799</u>	

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Charitable Activities	502,420	502,420	527,544
	<u>502,420</u>	<u>502,420</u>	<u>527,544</u>
<i>Total 2021</i>	<i>527,544</i>	<i>527,544</i>	
	<u>527,544</u>	<u>527,544</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	398,914	103,506	502,420	527,544
	<u>398,914</u>	<u>103,506</u>	<u>502,420</u>	<u>527,544</u>
<i>Total 2021</i>	<i>412,430</i>	<i>115,114</i>	<i>527,544</i>	
	<u>412,430</u>	<u>115,114</u>	<u>527,544</u>	

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	398,914	398,914	412,430
	<u>398,914</u>	<u>398,914</u>	<u>412,430</u>
<i>Total 2021</i>	<i>412,430</i>	<i>412,430</i>	
	<u>412,430</u>	<u>412,430</u>	

Donations were made to OSGUK.

MEDWAY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Depreciation	93,964	93,964	93,173
Other costs	-	-	(1,087)
Finance charges	102	102	1,415
Professional fees	6,329	6,329	11,101
Premises costs	3,111	3,111	10,512
	<u>103,506</u>	<u>103,506</u>	<u>115,114</u>
<i>Total 2021</i>	<u>115,114</u>	<u>115,114</u>	

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

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £4,525 (2021 - £5,000), and non audit services of £2,525 (2021 - £2,250).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2022	5,500,385	25,500	180,071	5,705,956
Additions	176,014	-	57,173	233,187
At 31 December 2022	<u>5,676,399</u>	<u>25,500</u>	<u>237,244</u>	<u>5,939,143</u>
Depreciation				
At 1 January 2022	1,108,276	3,825	87,628	1,199,729
Charge for the year	135,806	6,375	21,305	163,486
At 31 December 2022	<u>1,244,082</u>	<u>10,200</u>	<u>108,933</u>	<u>1,363,215</u>
Net book value				
At 31 December 2022	<u><u>4,432,317</u></u>	<u><u>15,300</u></u>	<u><u>128,311</u></u>	<u><u>4,575,928</u></u>
At 31 December 2021	<u><u>4,392,109</u></u>	<u><u>21,675</u></u>	<u><u>92,443</u></u>	<u><u>4,506,227</u></u>

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets (continued)

Charity

	Freehold property £
Cost or valuation	
At 1 January 2022	5,089,494
Additions	58,909
	<hr/>
At 31 December 2022	5,148,403
	<hr/>
Depreciation	
At 1 January 2022	994,511
Charge for the year	93,963
	<hr/>
At 31 December 2022	1,088,474
	<hr/>
Net book value	
At 31 December 2022	4,059,929
	<hr/> <hr/>
<i>At 31 December 2021</i>	4,094,982
	<hr/> <hr/>

MEDWAY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 January 2022	92,502
At 31 December 2022	<u>92,502</u>
Net book value	
At 31 December 2022	<u>92,502</u>
At 31 December 2021	<u>92,502</u>

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

Included in consolidation

Yes

The financial results of the subsidiary for the year were:

Name	Income £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Linton Projects Ltd	2,725,605	384,093	390,124

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	132,364	18,769	3,000	-
Other debtors	1,453	1,096	-	514
Prepayments and accrued income	4,729	3,917	514	-
Tax recoverable	50,641	-	34,671	-
	<u>189,187</u>	<u>23,782</u>	<u>38,185</u>	<u>514</u>

15. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	10,000	10,000	-	-
Other loans	354,500	408,500	-	-
Trade creditors	193,541	198,283	2,235	1,733
Other taxation and social security	-	10,492	-	-
Obligations under finance lease and hire purchase contracts	4,941	5,841	-	-
Other creditors	42,341	26,903	-	-
Accruals and deferred income	40,329	25,512	9,400	4,999
	<u>645,652</u>	<u>685,531</u>	<u>11,635</u>	<u>6,732</u>

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

	Group 2022 £	Group 2021 £
Bank loans	24,167	34,167
Net obligations under finance lease and hire purchase contracts	13,795	16,785
	<u>37,962</u>	<u>50,952</u>

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
Unrestricted funds				
General Funds - all funds	4,455,871	2,976,180	(2,843,933)	4,588,118

Statement of funds - prior year

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

Following a review of funds held, and clarification from The Grace Trust, £435,704 of restricted funds were transferred to unrestricted funds in line with the objectives of the Charity in the year ended 31 December 2021.

MEDWAY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

18. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
General funds	4,455,871	2,976,180	(2,843,933)	4,588,118

Summary of funds - prior year

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	4,575,928	4,575,928
Current assets	698,637	698,637
Creditors due within one year	(648,485)	(648,485)
Creditors due in more than one year	(37,962)	(37,962)
Total	4,588,118	4,588,118

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	Group 2022 £	<i>Group 2021 £</i>
Net income for the year (as per Statement of Financial Activities)	132,256	21,728
Adjustments for:		
Depreciation charges	163,486	154,534
Interest received	(9)	(10)
Decrease/(increase) in stocks	(29,223)	58,595
Decrease/(increase) in debtors	(168,236)	97,241
Increase/(decrease) in creditors excl. loans and HP	17,843	33,611
Net cash provided by operating activities	116,117	365,699

21. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	245,737	430,688
Total cash and cash equivalents	245,737	430,688

MEDWAY EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	430,688	(184,951)	245,737
Debt due within 1 year	(418,500)	54,000	(364,500)
Debt due after 1 year	(34,167)	10,000	(24,167)
Finance leases	(22,626)	3,890	(18,736)
	<u>430,688</u>	<u>(184,951)</u>	<u>245,737</u>

23. Operating lease commitments

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
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
	<u>60,000</u>	<u>72,000</u>

MEDWAY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24. Related party transactions

As stated in note 14, Linton Projects Ltd was a wholly owned subsidiary undertaking of the Charity. £360,000 (2021: £275,000) 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:

	2022 £	2021 £
A Campbell	15,000	15,000
A Ware & L Ware	10,000	10,000
C Mumford & C Mumford	-	5,000
G Mumford & E Mumford	10,000	10,000
H Mumford	-	5,000
J Ware	10,000	10,000
W Bruce	20,000	20,000
	<u>65,000</u>	<u>75,000</u>

Loan balances owing to C & C Mumford and H Mumford at 31 December 2021 have been repaid during the year ended 31 December 2022.

Payments totalling £455.71 were made to Woodville Consulting, of which S Bell is Sole Proprietor, for the supply of door, architraves, ironmongery and kitchen items. This is included within Medway Education Trust's expenditure for the year ended 31 December 2022.

Donations totalling £12,880 were received from Trustees and their close family members during the year ended 31 December 2022. No donations were restricted.