

Charity number: 1077572

THE HIGHCOMBE EDGE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE HIGHCOMBE EDGE TRUST

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THE HIGHCOMBE EDGE TRUST

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

Trustees	B Anderson ¹ J Spencer ¹ A Dalrymple ¹ W Lynes ¹
	¹ Trustees holding title to freehold land and buildings at Highcombe Edge, Tilford Road, Hindhead, GU26 6SJ.
Charity registered number	1077572
Principal office	Somerville 8 Bridle Close Grayshott Hindhead GU26 6EA
Chief executive officer	B Anderson
Independent auditors	Byrd Link Audit & Accountancy Services Limited Honeybourne Place Jessop Avenue Cheltenham GL50 3SH
Bankers	Lloyds Bank Business Banking BX1 1LT

THE HIGHCOMBE EDGE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report with the consolidated financial statements of the charity, The Highcombe Edge Trust, along with its subsidiary Zapp UK Trading 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 in the UK and Republic of Ireland (Charity SORP FRS102) (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 premises under formal lease for an independent school based in Hindhead which has been run by OneSchool Global UK (OSGUK).

A separate building is also provided to Zapp UK Trading Ltd, a Subsidiary Campus Trading company, for a 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 Zapp UK Trading Ltd (Registered Number 09432502), which operates a chain of convenience stores, are undertaken by an average number of three employees during the year as well as 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, Zapp UK Trading Ltd, which undertakes trading activities. All profits chargeable to corporation tax are gifted to the charity in support of the charitable activities of the charity.

Financial Review

The charity is supported and financed principally by profits from its trading subsidiary, Zapp UK Trading 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 compliant with legislative, regulatory and best practice standards. During 2022, all interactions with the general public were carried out by volunteers.

THE HIGHCOMBE EDGE TRUST

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

Where the Trust organises fundraising events and co-ordinates the activities 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. 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 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 in 2023 and beyond.

In the year ended 31 December 2022 the charity reported a net deficit of £96,699 (2021: deficit of £350,382). The group reported a net surplus of £53,558 (2021: deficit of £251,323).

At the year end the charity had net current assets of £49,824 (2021: net current assets of £236,946). The group had net current assets of £399,755 (2021: net current assets of £393,114).

The charity's policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £15,000. At the year end 2021 the free reserves of the charity were £49,824 (2021: £236,946).

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 Trustees confirm that the major risks have been reviewed and systems and procedures are in place to manage these risks.

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 of 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 Trust's ethos and values.

Structure, Governance and Management

The Highcombe Edge Trust is constituted by a Deed of Trust dated 15 July 1999 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

THE HIGHCOMBE EDGE 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 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 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 and signed on their behalf by:



.....
B Anderson
Trustee

Date: 30/06/2023

THE HIGHCOMBE EDGE 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:



.....
B Anderson

Trustee

Date: 30/06/2023

THE HIGHCOMBE EDGE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HIGHCOMBE EDGE TRUST

Opinion

We have audited the financial statements of The Highcombe Edge 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.

THE HIGHCOMBE EDGE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HIGHCOMBE EDGE 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.

THE HIGHCOMBE EDGE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HIGHCOMBE EDGE 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 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, HM Revenue & Customs, Charities Act 2011 and the Charities SORP (FRS 102) as well as 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 these financial statements. Audit procedures have been planned and performed to reflect the risk assessment undertaken.

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 and revenue recognition. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risk of irregularities, sample testing on the posting of journals, reviewing key accounting estimates for biases and reviewing regulatory correspondence, Trustees minutes and legal expenditure incurred. Sample testing was completed on income.

Owing to the inherent limitations of an audit, and the sample nature of audit procedures, 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 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 they 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.

THE HIGHCOMBE EDGE TRUST

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HIGHCOMBE EDGE 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.

THE HIGHCOMBE EDGE 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	81,524	81,524	295,029
Charitable activities	4	7,633	7,633	10,700
Other trading activities - Zapp UK	5	2,058,787	2,058,787	886,032
Investments	6	54	54	173
Other income	7	200,622	200,622	-
Total income		2,348,620	2,348,620	1,191,934
Expenditure on:				
Other trading activities - Zapp UK		1,901,123	1,901,123	667,423
Charitable activities	8	447,828	447,828	775,834
Total expenditure		2,348,951	2,348,951	1,443,257
Net expenditure before taxation		(331)	(331)	(251,323)
Taxation	12	(39,519)	(39,519)	-
Net movement in funds		(39,850)	(39,850)	(251,323)
Reconciliation of funds:				
Total funds brought forward		5,919,842	5,919,842	6,171,165
Net movement in funds		(39,850)	(39,850)	(251,323)
Total funds carried forward		5,879,992	5,879,992	5,919,842

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

The notes on pages 14 to 28 form part of these financial statements.

THE HIGHCOMBE EDGE TRUST

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	5,557,931	5,526,728
		<u>5,557,931</u>	<u>5,526,728</u>
Current assets			
Stocks	15	249,005	247,437
Debtors	16	124,975	62,125
Cash at bank and in hand		247,697	354,247
		<u>621,677</u>	<u>663,809</u>
Creditors: amounts falling due within one year	17	(299,616)	(270,695)
Net current assets		<u>322,061</u>	<u>393,114</u>
Total assets less current liabilities		<u>5,879,992</u>	<u>5,919,842</u>
Net assets excluding pension asset		<u>5,879,992</u>	<u>5,919,842</u>
Total net assets		<u>5,879,992</u>	<u>5,919,842</u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	5,879,992	5,919,842
Total funds		<u>5,879,992</u>	<u>5,919,842</u>

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



.....
B Anderson
Trustee 30/06/23

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

THE HIGHCOMBE EDGE TRUST

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	5,407,970	5,317,547
Investments	14	266,294	266,294
		<u>5,674,264</u>	<u>5,583,841</u>
Current assets			
Debtors	16	1,124	57
Cash at bank and in hand		66,127	242,369
		<u>67,251</u>	<u>242,426</u>
Creditors: amounts falling due within one year	17	(17,427)	(5,480)
Net current assets		<u>49,824</u>	<u>236,946</u>
Total assets less current liabilities		<u>5,724,088</u>	<u>5,820,787</u>
Net assets excluding pension asset		<u>5,724,088</u>	<u>5,820,787</u>
Total net assets		<u>5,724,088</u>	<u>5,820,787</u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	5,724,088	5,820,787
Total funds		<u>5,724,088</u>	<u>5,820,787</u>

The Charity's net movement in funds for the year was £(96,699) (2021 - £(350,382)).

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



.....
B Anderson
Trustee 30/06/23

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

THE HIGHCOMBE EDGE 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	115,737	244,889
Cash flows from investing activities		
Interest received	54	173
Transfer on acquisition	-	(122,419)
Purchase of tangible fixed assets	(235,813)	(269,831)
Disposal of fixed assets	13,472	-
Net cash used in investing activities	(222,287)	(392,077)
Cash flows from financing activities		
Cash inflows from new borrowing	-	150,369
Net cash provided by financing activities	-	150,369
Change in cash and cash equivalents in the year	(106,550)	3,181
Cash and cash equivalents at the beginning of the year	354,247	351,066
Cash and cash equivalents at the end of the year	247,697	354,247

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

THE HIGHCOMBE EDGE TRUST

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

1. General information

The Highcombe Edge Trust is an unincorporated charity (no: 1077572) registered in England and Wales. The registered address is Somerville, 8 Bridle Close, Grayshott, Hindhead, GU26 6EA.

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 Highcombe Edge 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 entity in FRS 102 from the requirement to present a Charity only statement of cashflows and certain disclosures about the charity's financial instruments within the consolidated statements.

No separate SOFA has been prepared for the Charity alone.

2.2 Going concern

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

THE HIGHCOMBE EDGE 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.

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

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

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

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE HIGHCOMBE EDGE TRUST

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

2. Accounting policies (continued)

2.7 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 both on a straight line and reducing balance basis where appropriate. .

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Property improvements - Zapp UK	-	10% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings - Trust	-	15% reducing balance
Fixtures and fittings - Zapp UK Trading Limited	-	25% straight line
Office equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.8 Investments

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

2.9 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.

2.10 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.

2.11 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.

THE HIGHCOMBE EDGE TRUST

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

2. Accounting policies (continued)

2.12 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.

2.13 Financial instruments

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

2.14 Fund accounting

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

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

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	81,524	81,524	9,779
Grants	-	-	18,960
Zapp UK Trading Ltd	-	-	266,290
	<u>81,524</u>	<u>81,524</u>	<u>295,029</u>
<i>Total 2021</i>	<u>295,029</u>	<u>295,029</u>	

THE HIGHCOMBE EDGE TRUST

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

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	7,633	7,633	10,700
<i>Total 2021</i>	<i>10,700</i>	<i>10,700</i>	

THE HIGHCOMBE EDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Trading income - Zapp UK Trading Ltd	2,058,787	2,058,787	886,032
<i>Total 2021</i>	<i>886,032</i>	<i>886,032</i>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	54	54	173
<i>Total 2021</i>	<i>173</i>	<i>173</i>	

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other operating income	200,622	200,622	-

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Charitable activities	447,828	447,828	775,834
	<u>447,828</u>	<u>447,828</u>	<u>775,834</u>
<i>Total 2021</i>	<u>775,834</u>	<u>775,834</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	280,448	167,381	447,829	775,834
	<u>280,448</u>	<u>167,381</u>	<u>447,829</u>	<u>775,834</u>
<i>Total 2021</i>	<u>101,020</u>	<u>674,814</u>	<u>775,834</u>	

Analysis of direct costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	280,448	280,448	101,020
	<u>280,448</u>	<u>280,448</u>	<u>101,020</u>
<i>Total 2021</i>	<u>101,020</u>	<u>101,020</u>	

In 2022 donation of £280,448 (2021 : £101,020) were made to OSGUK.

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Depreciation	139,302	139,302	658,505
Administrative costs	-	-	139
Premises cost	14,231	14,231	7,827
Governance cost	7,050	7,050	5,423
Professional	6,798	6,798	2,920
	<u>167,381</u>	<u>167,381</u>	<u>674,814</u>
<i>Total 2021</i>	<u>674,814</u>	<u>674,814</u>	

Staff costs are nil. The Highcombe Edge Trust is run wholly by volunteers.

The depreciation charge reflects the reclassification of the property from investment property to fixed assets, as discussed in note 12. The depreciation has been back dated to the point of purchase and the charge is reflected in the period to 31 December 2021.

10. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for audit services	4,525	5,000
Fees payable to the Charity's auditor and its associates in connection with the Charity's pension scheme(s) in respect of:		
Non-audit services	<u>2,525</u>	<u>2,250</u>

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).

THE HIGHCOMBE EDGE TRUST

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

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on net expenditure for the year	39,519	-
Taxation on net expenditure	<u>39,519</u>	<u>-</u>

The charitable activities of the Trust are not subject to corporation tax. The chargeable profits for the trading subsidiary, Zapp UK Trading Ltd, are subject to corporation tax, at 19%, having taken in to account disallowed expenditure, such as depreciation, and qualifying distributions made during the period and prior to 30 September 2023.

Government policy may affect future tax charges for Zapp UK Trading Ltd with the introduction of the main corporation tax rate of 25% and the small profits rate remaining at 19%. However, the company plans to continue making distributions to the parent Trust.

13. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2022	5,780,417	30,757	618,244	54,912	6,484,330
Additions	230,776	-	4,207	830	235,813
Disposals	(13,472)	-	-	-	(13,472)
At 31 December 2022	<u>5,997,721</u>	<u>30,757</u>	<u>622,451</u>	<u>55,742</u>	<u>6,706,671</u>
Depreciation					
At 1 January 2022	592,727	11,140	341,376	12,359	957,602
Charge for the year	113,728	4,904	59,039	13,467	191,138
At 31 December 2022	<u>706,455</u>	<u>16,044</u>	<u>400,415</u>	<u>25,826</u>	<u>1,148,740</u>
Net book value					
At 31 December 2022	<u>5,291,266</u>	<u>14,713</u>	<u>222,036</u>	<u>29,916</u>	<u>5,557,931</u>
At 31 December 2021	<u>5,187,690</u>	<u>19,617</u>	<u>276,868</u>	<u>42,553</u>	<u>5,526,728</u>

THE HIGHCOMBE EDGE TRUST

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

13. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2022	5,683,706	473,667	6,157,373
Additions	229,723	-	229,723
At 31 December 2022	5,913,429	473,667	6,387,096
Depreciation			
At 1 January 2022	592,727	247,099	839,826
Charge for the year	105,315	33,985	139,300
At 31 December 2022	698,042	281,084	979,126
Net book value			
At 31 December 2022	5,215,387	192,583	5,407,970
At 31 December 2021	5,090,979	226,568	5,317,547

The freehold property was transferred from investment property to freehold property at fair value of £5,533,937 on 1 July 2020 in line with the charitable objectives of the Trust. The depreciation of the property was back dated to the point of purchase and the change is reflected in the prior year period to 31 December 2021 and in brought forward figures.

THE HIGHCOMBE EDGE TRUST

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

14. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 January 2022	266,294
At 31 December 2022	<u>266,294</u>
Net book value	
At 31 December 2022	<u>266,294</u>
At 31 December 2021	<u>266,294</u>

Principal subsidiaries

The following was a wholly owned subsidiary undertaking of the Charity from 31 July 2021. The subsidiary transferred to The Highcombe Edge Trust from Three Counties Education Trust. The results of the subsidiary have been consolidated into The Highcombe Edge Trust from the date of transfer.

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity
Zapp UK Trading Ltd	09432502	The Old Fire Station, Wheeler Lane, Witley, Goldalming, Surrey, GU8 5QU.	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 £
Zapp UK Trading Ltd	2,259,409	358,286	461,717

THE HIGHCOMBE EDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
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15. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	249,005	247,437

16. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	105,455	54,132	-	-
Other debtors	1,124	57	1,124	57
Prepayments and accrued income	18,396	7,936	-	-
	124,975	62,125	1,124	57

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	32,890	150,369	-	-
Trade creditors	83,114	53,671	7,547	(4,384)
Corporation tax	39,519	-	-	-
Other taxation and social security	16,684	8,072	-	-
Other creditors	17,615	17,508	-	-
Accruals and deferred income	109,794	41,075	9,880	9,864
	299,616	270,695	17,427	5,480

THE HIGHCOMBE EDGE TRUST

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

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds	5,919,842	2,386,795	(2,333,237)	-	5,973,400
Unallocated amounts	-	(38,175)	(15,714)	(39,519)	(93,408)
	<u>5,919,842</u>	<u>2,348,620</u>	<u>(2,348,951)</u>	<u>(39,519)</u>	<u>5,879,992</u>

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds				
General Funds	6,171,165	1,191,934	(1,443,257)	5,919,842
	<u>6,171,165</u>	<u>1,191,934</u>	<u>(1,443,257)</u>	<u>5,919,842</u>

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Balance at 31 December 2022 £
General funds	5,919,842	2,348,620	(2,348,951)	(39,519)	5,879,992
	<u>5,919,842</u>	<u>2,348,620</u>	<u>(2,348,951)</u>	<u>(39,519)</u>	<u>5,879,992</u>

THE HIGHCOMBE EDGE TRUST

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

19. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2021 £</i>
General funds	<u>6,171,165</u>	<u>1,191,934</u>	<u>(1,443,257)</u>	<u>5,919,842</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	5,557,931	5,557,931
Current assets	621,677	621,677
Creditors due within one year	(299,616)	(299,616)
Total	<u>5,879,992</u>	<u>5,879,992</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	5,526,728	5,526,728
Current assets	663,809	663,809
Creditors due within one year	(270,695)	(270,695)
Total	<u>5,919,842</u>	<u>5,919,842</u>

THE HIGHCOMBE EDGE TRUST

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

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

	Group 2022 £	Group 2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(39,850)	(251,323)
Adjustments for:		
Depreciation charges	191,138	691,805
Interest received	(54)	(173)
Increase in stocks	(1,568)	(247,437)
Increase in debtors	(62,850)	(62,125)
Increase in creditors	28,921	114,142
Net cash provided by operating activities	115,737	244,889

22. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	247,697	354,247
Total cash and cash equivalents	247,697	354,247

23. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	354,247	(106,550)	-	247,697
Debt due within 1 year	(150,369)	(2,413)	119,892	(32,890)
	203,878	(108,963)	119,892	214,807

THE HIGHCOMBE EDGE TRUST

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

24. 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 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Not later than 1 year	75,800	-	34,583	-
Later than 1 year and not later than 5 years	180,000	-	180,000	-
Later than 5 years	108,750	-	153,750	-
	364,550	-	368,333	-

25. Related party transactions

£261,918 was received by The Highcombe Edge Trust from Zapp UK Trading Ltd, wholly owned subsidiary acquired 31 July 2021, during the year ended 31 December 2022 (2021: £119,500).

B Anderson, a Trustee, is also a Director of Planteria Group (UK) Ltd. Planteria Group (UK) Ltd facilitated a payment of \$AUS 2,655 to OneSchool Global Ltd Australia on behalf of The Highcombe Edge Trust in the year ended 31 December 2021. The Highcombe Edge Trust was required to pay in \$AUS but they were not able to arrange this as no foreign exchange transactions are allowed on the bank account. The payment was made by Planteria Group (UK) Ltd and reimbursed by The Highcombe Edge Trust.