

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
KEYSTONE EDUCATION TRUST**

MHA
Chartered Accountants
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

KEYSTONE EDUCATION TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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KEYSTONE EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2022

Registered Charity name

Keystone Education Trust

Registered Charity number

1096922

Principal address

Keystone Education Trust

Sway Road

Morrison

Swansea

SA6 6JA

Trustees

R M Nunn

N Hill

R M Wells

R M Nunn holds title to freehold land and buildings at Sway Road Morrison Swansea SA6 6JA.

Chief Executive Officer

N Hill

Independent examiner

Rachel Doyle FCCA

MHA

3 New Mill Court

Swansea Enterprise Park

Swansea

SA7 9FG

Bankers

Lloyds Bank Plc

113 High Street

Gorseinon

Swansea

SA4 4BR

KEYSTONE EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report with the financial statements of the charity 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 (FRS102) (effective 1 January 2019).

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 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 the premise under formal lease for an independent school based in Sway Road Morriston Swansea which has been run by OneSchool Global UK (OSGUK).

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 Magna Trading Ltd, (registered company number: 0631152), which operates a convenience store, are also undertaken by volunteers.

Significant Activities

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

Financial Review

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

The charity's fundraising events principally operate within the Brethren community and professional fundraisers are not used. Neither the charity nor any person acting on behalf of the charity was subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or voluntary standard for fund-raising in respect of activities on behalf of the trust.

In the year ended 31 December 2022, the charity reported a net deficit of £109,394 (2021: deficit of £86,846).

At the year end the charity had net current assets of £177,209 (2021: net current assets of £238,020).

The charity's policy is to maintain minimum free reserves at a level which equates to six months' unrestricted expenditure. This is approximately £10,000. At the balance sheet date, the free reserves of the charity were

KEYSTONE EDUCATION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Review, continued

£399,490 (2021: £508,884).

Going concern

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.

Future Plans

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

Keystone Education Trust is constituted by a Deed of Trust dated 30 December 2002 and is registered with the Charity Commission for England and Wales.

The Trustees who served during the year and since the year end are set out on page 1. None of the Trustees, nor any person connected with them, received any remuneration from the charity in the year ended 31st December 2022 nor in the previous financial year.

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.

Trustees' Responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charitable group for that period. In preparing these financial statements, the trustees are required to:

KEYSTONE EDUCATION TRUST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees' Responsibilities, continued

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Approved by the Trustees and signed on their behalf by:



.....

Mr N Hill

26/06/23

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KEYSTONE EDUCATION TRUST

Independent examiner's report to the trustees of Keystone Education Trust

I report to the charity trustees on my examination of the accounts of Keystone Education Trust (the Trust) for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Rachel Doyle
FCCA
MHA
Chartered Accountants
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

Date:

KEYSTONE EDUCATION TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		11,049	11,049	40,778
Investment income	2	<u>111,736</u>	<u>111,736</u>	<u>95,169</u>
Total		<u>122,785</u>	<u>122,785</u>	<u>135,947</u>
EXPENDITURE ON				
Charitable activities				
School		<u>232,179</u>	<u>232,179</u>	<u>222,793</u>
NET INCOME/(EXPENDITURE)		(109,394)	(109,394)	(86,846)
RECONCILIATION OF FUNDS				
Total funds brought forward		<u>508,884</u>	<u>508,884</u>	<u>595,730</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>399,490</u></u>	<u><u>399,490</u></u>	<u><u>508,884</u></u>

KEYSTONE EDUCATION TRUST

BALANCE SHEET
31 DECEMBER 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	6	422,278	-	422,278	470,861
Investments	7	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>
		422,281	-	422,281	470,864
CURRENT ASSETS					
Debtors	8	113,405	-	113,405	94,486
Cash at bank		<u>74,933</u>	<u>-</u>	<u>74,933</u>	<u>146,713</u>
		188,338	-	188,338	241,199
CREDITORS					
Amounts falling due within one year	9	(11,129)	-	(11,129)	(3,179)
		<u>177,209</u>	<u>-</u>	<u>177,209</u>	<u>238,020</u>
NET CURRENT ASSETS					
		<u>177,209</u>	<u>-</u>	<u>177,209</u>	<u>238,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		599,490	-	599,490	708,884
CREDITORS					
Amounts falling due after more than one year	10	(200,000)	-	(200,000)	(200,000)
		<u>399,490</u>	<u>-</u>	<u>399,490</u>	<u>508,884</u>
NET ASSETS					
		<u>399,490</u>	<u>-</u>	<u>399,490</u>	<u>508,884</u>
FUNDS	12				
Unrestricted funds				<u>399,490</u>	<u>508,884</u>
TOTAL FUNDS				<u>399,490</u>	<u>508,884</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 JUNE 2023 and were signed on its behalf by:


.....
N Hill - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are presented in Sterling (£).

Going concern

The trustees have reviewed projected income and expenditure, including capital investment and property repairs and are satisfied that the charity has sufficient resources to meet projected costs.

The trustees therefore have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(i) Impairment reviews

The trustees carry out annual reviews of fixed assets to assess whether there are any indications of impairment. Where indications of impairment exist, the trustees consider the recoverable amount of the relevant asset, based upon either value in use or net realisable value, depending upon the function of the asset in question. Impairment provisions are recognised in the statement of financial activities, within the relevant cost category to which the asset relates.

(ii) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are reassessed annually and are amended when necessary to reflect current estimates of economic utilisation and physical condition of the assets.

1. ACCOUNTING POLICIES - continued

Income recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Gift Aid reclaims are recognised in the same period that the gift or donation was made, subject to the overriding income recognition policy. Donated goods and facilities are only recognised as incoming resources when the benefit to the charity can be reasonably quantified or measured and is considered material to the charity.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

Expenditure classified as charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities.

Governance and support costs

Support costs are those functions that assist the work of the charity but do not directly relate to charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to independent examination and legal fees, together with an apportionment of overhead and support costs.

Tangible fixed assets

Tangible fixed assets costing more than £200 are capitalised at purchase cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Over 25 years
Freehold property improvements	- Over 7 years

Impairment reviews are carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable through use (for assets in use by the charity) or through sale (for surplus assets).

Taxation

The charity is exempt from tax on its charitable activities.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

KEYSTONE EDUCATION TRUST

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

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Investments

Fixed asset investments are valued at the lower of cost and net realisable value.

Financial Instruments

The charity has mainly financial assets and 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. Long term loans are stated at fair value.

Volunteers

The value of services provided by volunteers is not incorporated into the financial statements, as it cannot be readily quantified.

2. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	4,167	4,167
Donations from subsidiary undertaking	107,535	90,990
Deposit account interest	<u>34</u>	<u>12</u>
	<u>111,736</u>	<u>95,169</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

KEYSTONE EDUCATION TRUST

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

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	40,778	-	40,778
Investment income	<u>95,169</u>	<u>-</u>	<u>95,169</u>
Total	<u>135,947</u>	<u>-</u>	<u>135,947</u>
EXPENDITURE ON			
Charitable activities			
School	<u>222,793</u>	<u>-</u>	<u>222,793</u>
NET INCOME/(EXPENDITURE)	(86,846)	-	(86,846)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>595,730</u>	<u>-</u>	<u>595,730</u>
TOTAL FUNDS CARRIED FORWARD	<u>508,884</u>	<u>-</u>	<u>508,884</u>

5. GOVERNANCE COSTS

	2022 £	2021 £
Independent examiner's fee	<u>2,500</u>	<u>3,000</u>

6. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 January 2022	1,127,288
Additions	<u>71,269</u>
At 31 December 2022	<u>1,198,557</u>
DEPRECIATION	
At 1 January 2022	656,427
Charge for year	<u>119,852</u>
At 31 December 2022	<u>776,279</u>
NET BOOK VALUE	
At 31 December 2022	<u>422,278</u>
At 31 December 2021	<u>470,861</u>

KEYSTONE EDUCATION TRUST

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

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2022 and 31 December 2022	<u>3</u>
NET BOOK VALUE	
At 31 December 2022	<u>3</u>
At 31 December 2021	<u>3</u>

There were no investment assets outside the UK.

The balance represents the charity's holding in its trading subsidiary, Magna Trading Limited, whose registered office is Unit 2, Viaduct Road, Gwaelod-Y-Garth, Taffs Well, Cardiff, CF15 9JN.

Subsidiaries

Magna Trading Limited (registered company number: 06311529)

Nature of business: Retailer of household goods

Class of shares:	% holding	2022	2021
Ordinary	100.00	£	£
Aggregate capital and reserves		34,432	38,499
Profit for the year		103,468	89,188
Turnover for the year		762,027	704,716
Expenditure for the year		<u>658,559</u>	<u>615,528</u>

The subsidiary's trading activities are carried out in order to generate income for the charity. Annual profits are donated in full to the charity each year, under a Deed of Covenant.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Amounts due from subsidiary undertaking	112,873	89,989
Other debtors	-	4,231
VAT	<u>532</u>	<u>266</u>
	<u>113,405</u>	<u>94,486</u>

KEYSTONE EDUCATION TRUST

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	3,129	-
Other creditors	<u>8,000</u>	<u>3,179</u>
	<u>11,129</u>	<u>3,179</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Other creditors	<u>200,000</u>	<u>200,000</u>

11. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>200,000</u>	<u>200,000</u>

Loans due after one year are secured on the freehold property. The loan is subject to interest at 3.5% above the base rate per annum and there are no fixed repayment terms.

12. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
Unrestricted fund	508,884	(109,394)	399,490
TOTAL FUNDS	<u>508,884</u>	<u>(109,394)</u>	<u>399,490</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted fund	122,785	(232,179)	(109,394)
TOTAL FUNDS	<u>122,785</u>	<u>(232,179)</u>	<u>(109,394)</u>

KEYSTONE EDUCATION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****12. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
Unrestricted fund	595,730	(86,846)	508,884
TOTAL FUNDS	<u>595,730</u>	<u>(86,846)</u>	<u>508,884</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted fund	135,947	(222,793)	(86,846)
TOTAL FUNDS	<u>135,947</u>	<u>(222,793)</u>	<u>(86,846)</u>

The unrestricted funds above are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charitable company.

13. RELATED PARTY DISCLOSURES**Transactions with subsidiary company**

The charity's subsidiary company, Magna Trading Limited, donated its profit via a deed of covenant to the charity. The donation amounted to £107,535 (2021: £90,990) in the period.

At the balance sheet date, Magna Trading Limited owed the charity £112,873 (2021: £89,989), which is repayable within one year.

Transactions with trustees and trustees' businesses

The trustees have provided joint personal guarantees in respect of the interest on the loan of £200,000, which is due after 1 year.

The Trustee, R M Nunn, holds title to the charity's property in trust for the charity.

14. POST BALANCE SHEET EVENTS

Since the balance sheet date, the Trust has invested £43,985 (2021: £78,800) in fixed assets.