

**THE REED EDUCATIONAL TRUST  
LIMITED**

**(A company limited by guarantee)**

**Report and Financial Statements**

**For the Year Ended 31 December 2021**

**Charity number: 328347**

**Company number: 02420409**

**THE REED EDUCATIONAL TRUST LIMITED**

	<b>Page</b>
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTORS' REPORT)	1
AUDITORS REPORT	8
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	11
CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEETS	12
CONSOLIDATED STATEMENT OF CASHFLOWS	13
NOTES TO THE FINANCIAL STATEMENTS	14

## THE REED EDUCATIONAL TRUST TRUSTEES' ANNUAL REPORT

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The Trustees who are also directors of the charity for the purpose of the Companies Act 2006, present their report together with the financial statements of the Charitable Company for the year ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practise (SORP) 'Accounting and Reporting by Charities' effective from January 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

### Reference and Administrative Details

INCORPORATED	in England on 6 September 1989
COMPANY NUMBER	02420409
REGISTERED CHARITY NUMBER	328347
REGISTERED OFFICE	The Manor Little Compton Moreton in Marsh Gloucestershire GL56 0RZ

### Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees serving during the year and since the year end were as follows:

	Sir Alec Reed CBE FCMA Peter Green Asad Noorani FCA James Reed MA MBA FCIPD Stella Shaw
SECRETARY	Stella Shaw
OPERATIONS MANAGER	Stella Shaw
AUDITORS	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX
BANKERS	HSBC City of London Branch 60 Queen Victoria Street London EC4N 4TR

## **THE REED EDUCATIONAL TRUST LIMITED TRUSTEES' ANNUAL REPORT (continued)**

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### **Structure, Governance and Management**

#### Governing Document

The company is a charitable company, limited by guarantee and was set up on 6 September 1989. It is governed by a Memorandum and Articles of Association.

#### Appointment of Trustees

Trustees are elected by the Trust at the Annual General Meeting of the Trust to serve for a period of three years or less and at least one Trustee retires at each Annual General Meeting. A retiring Trustee may be reappointed.

#### Trustee induction

New Trustees are briefed on their obligations as Trustees, the structure and administration, plans and performance of the charity, and relevant current issues. They are provided with information on all the charity's educational courses and are invited to attend any of the lectures. They receive a tour of the Manor and accommodation properties and are introduced to employees. Trustees are encouraged to attend external training courses pertinent to their role.

#### Organisation

The Board of Trustees, which governs the charity, consist of between three and eleven persons. The Board meets bi-annually and delegates authority to the Operations Manager for the day to day Management of the charity.

There were on average over the year 18 employees (2020: 22).

#### Related parties

The parent company operates from premises rented from The Reed Foundation.

There are common Directors and Trustees in both Reed Global Limited and the Charitable Company, The Reed Educational Trust Limited, including Sir Alec Reed who has material interest in Reed Global Limited. The Subsidiary company trades with Reed Global Limited and its subsidiaries on a normal trading basis.

#### Risk Management

The Trustees regularly identify and review the major risks to which the charity is exposed. They ensure that the appropriate systems are in place to manage and mitigate those risks.

In addition, risk assessments are reviewed annually for all residential properties.

Some staff members are trained in the IOSH Managing Safely qualification and St John's Ambulance First Aid training. Staff are also trained in Fire Awareness.

A Safeguarding team consist of a Safeguarding Team Leader and 3 trained Designated Safeguarding Officers. Once member is also trained in Mental Awareness.

### **Objectives and activities**

The objectives of the charity are:

To promote and provide for the advancement of education in accountancy or otherwise for the public benefit (whether in the United Kingdom or elsewhere) and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom or elsewhere any college or school of accountancy or otherwise for the education of the members of the public (whether in the United Kingdom or elsewhere).

The main objectives for the year are the promotion and advancement of education by the provision of high quality accountancy, financial services, and co-member development courses and to donate funds to educational projects that help those in poverty and those who cannot afford educational fees.

## THE REED EDUCATIONAL TRUST LIMITED TRUSTEES' ANNUAL REPORT (continued)

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### Objectives and activities (continued)

The charity achieves its objectives by:

- Providing residential/non-residential accredited courses in a quiet village in the Cotswolds, facilitating dedicated and uninterrupted study
- Employing qualified, reputable and experienced tutors for all courses
- Enabling good examination pass rates by providing a dedicated tutor team and a unique learning environment
- Tutors working with individuals to guide them on their practical experience requirements
- Tutors meeting with student representatives to discuss valuable feedback on courses, tutors and progress through the various qualifications
- Allocating professional coaches to mentor students throughout their Apprenticeship study program
- Encouraging individual students in their studies by offering discounted fees and payments by instalments
- Maintaining close professional links with accountancy bodies to ensure course content is accurate, to keep abreast of syllabus changes, and to help students/clients in their understanding of professional accountancy qualifications

All accountancy and financial service courses at the Business School are accredited by the relevant professional body, which include:

- The Institute of Chartered Accountants in England and Wales (ICAEW)
- The Association of Chartered Certified Accountants (ACCA)
- The Chartered Institute of Management Accountants (CIMA)

The comprehensive range of qualifications offered in the year comprised:

- Associate Chartered Accountant
- Chartered Certified Accountant
- CIMA Professional Qualification
- CIMA Certificate in Business Accounting

### Public Benefit

The main objective of the Reed Educational Trust is to promote and provide for the advancement of education in accountancy or otherwise for the public benefit (whether in the UK or elsewhere). The Trust's primary charitable activity is the provision of high quality education to accountancy & finance students at Reed Business School as discussed above.

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to the supplementary guidance on the advancement of education and fee-charging.

In order to ensure that those who cannot afford fees and those in poverty are not excluded from the opportunity to benefit from education, the Trust has donated a proportion of its income to various educational charities and, in 2020, continued a bursary scheme to assist Charity employees who attend accountancy courses at Reed Business School. The Trust did not receive any applicable applications for a bursary which during 2020.

It is the intention that this will be more widely promoted to the Charity sector so we can offer support to Charities who are facing huge funding challenges as a direct result of the impact of the COVID-19 pandemic. The bursary scheme includes awards to individuals embarking on an accountancy career via professional tuition courses at Reed Business School. These donations benefit the public in many different ways, offering educational opportunities to a variety of groups, both in the UK and overseas, mainly through the diverse activities of different charities. These donations will provide educational benefit to those who are in poverty or restricted by the ability to pay.

### Bursaries to charities

	£
<b>2021</b>	-
<b>2020</b>	-

## THE REED EDUCATIONAL TRUST LIMITED TRUSTEES' ANNUAL REPORT (continued)

### Public Benefit (continued)

During 2021, Donations were donated, in line with the Trust's educational objectives, via the Big Give Christmas Challenge organisation and the gardens of The Manor were opened via the NGS.

Other donations to charities:	£
<b>Big Give Christmas Challenge 2021*</b>	20,597
<i>Donations were made to Raleigh International Trust, Open University, Royal Welsh college of Music and Drama</i>	
<b>NGS Open Gardens</b>	500
<b>Total donations to charities:</b>	<u>          </u>
<b>2021</b>	<u><b>21,097</b></u>
<b>2020</b>	<u><b>6,200</b></u>

\* A total of £25,000, with £20,597 pledges matched in the year and the balance carried forward to the 2022 Big Give Christmas Challenge.

### Fundraising activities

The Charitable Company has registered with the fundraising regulator. The aim of the regulator is to ensure that fundraising is respectful, honest, open and accountable to the public.

All fundraising activities are directly managed by Charitable Company staff. We do not engage third parties to raise funds on our behalf. We are mindful that no fundraising should be unreasonably persistent or apply undue pressure on anyone or intrude on anyone's privacy.

The Charitable Company receives the majority of its funding from the Education and Skills Funding Agency.

### Achievements and Performance

Since its foundation over 40 years ago, Reed Business School has nurtured the developing careers of thousands of student professionals. Reed Business School continues to be the only professional examination training provider to openly and transparently publish results. Pass rates continue to excel with the following notable achievements:

#### Pass-Rates Overview

We have been unable to report on ICAEW Certificate Level first time pass rates since COVID as students were not taking their E-assessments at the Business School and we did not have the facility to receive results from ICAEW. Therefore we are not including these results in our overview. With effect from 2022, it will be possible to gather first time results from students sitting their e-assessments either remotely or at another Pearson centre.

ICAEW results have continued to compare favourably with the national first time pass rates at Professional and Advanced Levels. Reed Business School Professional Level courses averaged 87% compared to the national average of 83%. Advanced Level courses averaged 90% compared to the national of 85%. (These statistics are based on annual averages).

#### Professional Annual International Annual Order of Merit Prize Winners

- Joint fourth place and the Northcott prize: Oliver Soans, Apprentice, HL Barnes;
- Highest non-graduate student and the Simon Morris Memorial prize: Oliver Soans, Apprentice, HL Barnes
- Joint sixth place and the Arthur Swinson prize: Lily Gammon, Apprentice, Francis Clark

ACCA results in 2021 were again substantially higher than the average worldwide pass rates of 45% over all papers, with the average of 84% pass rate including 4 papers achieving 100%. The fundamentals papers achieved 100%, in all papers.

During the academic year of 20/21 we had 175 new starters and 48 learners on-programme due to complete of which 33 completed on target giving us a 69% timely achievement rate.

## THE REED EDUCATIONAL TRUST LIMITED TRUSTEES' ANNUAL REPORT (continued)

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### Delegate Day Overview

- Total delegate days in 2021 decreased by 7.5% compared to 2020, from 12,001 to 11,100.
- ICAEW delegate days decreased by 1.1% from 8,602 in 2020 to 8,505 in 2021.
- ACCA delegate days decreased by 9.8% from 2,234 in 2020 to 2,014 in 2021.
- CIMA delegate days has decreased by 39.1% from 614 in 2020 to 374 in 2021.

### Pay Policy

The directors consider the board of directors, who are the Trust's Trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All directors give their time freely and no director received remuneration in the year for that post. Details of directors' expenses and related party transactions are disclosed in notes 6 and 18 of these financial statements. The pay of the staff is reviewed annually and normally increased in accordance with inflation.

### Financial Review

The end of year Total Income decreased slightly by 2.4% to £2,061,665 (2020: £2,112,187) and Total Funds were considered high enough to make charitable donations of £21,097 (2020: £5,000). Income from charitable activities of course and accommodation provision increased by 4.4% to £2,021,732 (2020: £1,936,013), income from hire of facilities to other course providers decreased by 67.9% to £21,797 (2020: £67,962). These decreases were due to continued impact of COVID-19 and in particular the hire of facilities which has been paused since March 2020.

Total expenditure has also decreased by 0.2% to £1,909,615 (2020: £1,904,976); included in these figures are the charitable donations made in the year £21,097 (2020: £5,000) given through Big Give donations to Educational Charities and bursaries. The cost of the main charitable activities of £1,826,479 decreased by 0.9% over last year (2020: £1,843,044). Expenditure relating to the hire of facilities to other course providers £62,039 (2020: £56,932) increased by approximately 9.0%.

Principle income is received as course income by Reed Business School and the majority is expended on the provision of educational courses. A portion of its profits may be covenanted to Reed Educational Trust each year.

Expenditure is mainly on charitable activities, such as the provision of courses and accommodation. The cost of hiring facilities to other course providers is largely residential, building and staff costs.

### Investment Policy

Aside from the grants and expenditure incurred on an ongoing basis to support the regular work of the Trust, any surplus funds that may become available are invested in the long term lease of property or freehold property that can be utilised to further support the work of the trust.

### Reserves Policy and Going Concern

The Charity's funds at the end of 2021 were £1,959,243 (2020: £1,807,193). Of this total amount, £589,294 (2020: £622,837) are tangible assets in the form of properties used for residential facilities which are integral to the business providing accommodation facilities for its residential training courses.

The Trustees agreed to donate £20,597 to the 2020 Big Give Christmas Challenge which will be distributed to a range of applicable charities.

The Trustees agreed a reserves policy to maintain a level of unrestricted reserves to cover core expenditure which would allow the charity to carry on its activity in the event of financial difficulties.

Based on this the Trustees agreed to hold sufficient unrestricted funds to cover the annual expenditure within the Trust based upon the latest financial statements. It was also agreed the trading subsidiary would hold reserves funds equivalent to 6 months overheads based upon the latest financial statements.

The trust owns four properties providing residential facilities supporting the charitable objectives of providing residential training courses to promote and advance professional education and co-member development.

A previously commissioned survey report on the Trust properties provided recommendations to improve and update the facilities for student occupation. This project remains on-going.

## **THE REED EDUCATIONAL TRUST LIMITED TRUSTEES' ANNUAL REPORT (continued)**

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### **Longer term impact of COVID-19**

Following the early stages of COVID-19 and the 'scramble' to offer on-line training, the Business School worked with a third party to implement an on-line training platform using Microsoft Educational Licence which was introduced in January 2021. This transformed the method and efficiency of the 'remote' classroom enabling all materials/markings, study and student communications to be digitalised within one platform in addition to classes being recorded allowing students to replay for home study purposes. The Business School invested in tracking cameras and speakers/microphones hardware in all the lecture rooms to improve the experience for both classroom and remote learners.

The Teams platform has been very successful and will remain in place for all future training, regardless of whether students attend via live on-line, hybrid or face to face courses.

Students commenced a gradual return to classroom training from August 2021 in line with the easing of COVID-19 restrictions. Some restrictions were imposed by the Business School, to limit class sizes and occupancy but as time went by, firms and students were choosing a 'preferred' option of hybrid or face to face classes to suit their individual requirements. Whilst this facilitated the need to continue with training plans, alongside required isolation requirements, it developed into a 'pic and mix' option with last minute changes and was not necessarily conducive to the effectiveness of both planning and tutor/student experience. By the end of 2021, plans were being put in place for students to return to classroom teaching.

However, some employers, particularly from the Southwest region, were keen to explore alternative 'blended' teaching options to reduce travel and accommodation costs and discussions commenced about what this may look like for students attending courses in 2022.

The accelerated need for technology-enabled education option compared to the conventional patterns of teaching and learning is expected to continue and learning experiences need to go beyond the replication of the traditional lecture-based classroom.

For the Business School to succeed in an increasingly digital world determining the appropriate balance between face to face and online learning, and the resulting impact on accommodation occupancy and estates footprint, is critical for near and longer term future of the Business School.

In line with the easing of restrictions, support staff in the catering and housekeeping departments were re-hired to support the return of students to The Manor. The Business School re-commenced paying rent for both the Manor and residential properties as classroom provision and residential students returned to face to face teaching.

### **Plans for future periods**

The group's current plans are:

- To maintain position in a competitive market by continuing to offer high quality education
- Respond to Clients' needs to offer high quality blended delivery options
- Implement different teaching strategies to increase student engagement suitable for live on-line learning
- To maintain our position on the Government Register of Apprenticeship Training Providers and the provision of Level 4 and Level 7 apprenticeships
- Prepare for an Ofsted inspection which is expected during 2022
- Work with AAT to become an AAT Accredited tuition provider and to offer a range of AAT courses working alongside a dedicated on-line platform provider, Mindful Education. Many of our firms have AAT trainees and the trend for school leavers v graduate recruitment is increasing
- Continue to develop Pro-Solutions and Pro-Monitor, the recently introduced management information system to enable the management of the Apprenticeship funding to be managed in-house and provide greater reporting, administrative support and functionality

## THE REED EDUCATIONAL TRUST LIMITED TRUSTEES' ANNUAL REPORT (continued)

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### Trustees' responsibilities in relation to the financial statements

The Trustees (who are the directors of Reed Educational Trust Limited for the purpose of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and Group for that period.

In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK 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 Charitable Company and Group will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charitable Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement as to disclosure of information to auditors

In so far the Trustees are aware of:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make sure they are aware of any relevant audit information and to establish that the auditors are aware of that information

### Auditors

Auditors will be proposed for appointment in accordance with Section 487 of the Companies Act 2006.

28/9/2022

Approved by order of the board of Trustees on .....2022 and signed on its behalf by:

*Sir Alec Reed*

.....  
**Sir Alec Reed**  
Trustee

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE REED EDUCATIONAL TRUST LIMITED**

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### **Opinion**

We have audited the financial statements of The Reed Educational Trust Limited (the Charitable Company) and its subsidiaries (the Group) for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and the Charitable Company's affairs as at 31 December 2021, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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 director's 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 Charitable Company'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 directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - The Trustees' Report has been prepared in accordance with applicable legal requirements.
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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE REED EDUCATIONAL TRUST LIMITED**

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- The parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements and the Trustees' Annual Report in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, Charity legislations and regulation and taxation laws;
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of the management. We corroborated our inquiries through our review of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE REED EDUCATIONAL TRUST LIMITED

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- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- testing the operating effectiveness of controls that prevent and detect fraud;
- challenging assumptions and judgments made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

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

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Scott Lawrence*

.....  
**Scott Lawrence FCA**  
**(Senior Statutory Auditor)**

28/9/2022

.....  
**Date**

**For and on behalf of Hazlewoods LLP, Statutory Auditor**  
**Cheltenham**

**THE REED EDUCATIONAL TRUST LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted and Total Funds 2021 £	Unrestricted and Total Funds 2020 £
<b>Income and Endowments from</b>			
<b>Charitable activities:</b>			
Provisions of courses and accommodation		2,021,732	1,963,013
<b>Other trading activities</b>			
Hire of facilities to other course providers		21,797	67,962
Miscellaneous sales and other income	4	16,001	76,932
Investment income		2,135	4,280
<b>Total Income &amp; Endowments</b>		<b>2,061,665</b>	<b>2,112,187</b>
<b>Expenditure on</b>			
<b>Charitable activities</b>			
Provision of courses and accommodation		1,826,479	1,843,044
Charitable donations		21,097	5,000
<b>Other expenditure</b>			
Hire of facilities to other course providers		62,039	56,932
<b>Total expenditure</b>	3	<b>1,909,615</b>	<b>1,904,976</b>
<b>Net incoming resources</b>		152,050	207,211
<i>Reconciliation of funds</i>			
Funds balances brought forward		1,807,193	1,599,982
<b>Total funds carried forward at 31 December</b>		<b>1,959,243</b>	<b>1,807,193</b>

All income and expenditure has arisen from continuing activities.

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

**THE REED EDUCATIONAL TRUST LIMITED**  
**CONSOLIDATED AND PARENT CHARITABLE COMPANY BALANCE SHEETS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>Group</b>		<b>Charitable Company</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	<b>10</b>	8,997	-	-	-
Tangible assets	<b>11</b>	650,974	683,660	585,217	617,345
Shares in group undertakings	<b>12</b>	-	-	2	2
		<u>659,971</u>	<u>683,660</u>	<u>585,219</u>	<u>617,347</u>
<b>Current assets</b>					
Stock		1,340	1,340	-	-
Debtors	<b>13</b>	340,916	314,000	9,489	468
Cash at bank and in hand		1,401,538	1,336,951	748,281	462,422
		<u>1,743,794</u>	<u>1,652,291</u>	<u>757,767</u>	<u>462,890</u>
<b>Creditors</b>					
Amounts falling due within one year	<b>14</b>	(376,492)	(476,486)	(3,929)	(4,838)
		<u>1,367,302</u>	<u>1,175,805</u>	<u>753,838</u>	<u>458,052</u>
<b>Net current assets</b>					
Creditors due more than one year		(52,178)	(34,870)	-	-
Provision for liabilities and charges	<b>15</b>	(15,852)	(17,402)	-	-
		<u>1,959,243</u>	<u>1,807,193</u>	<u>1,339,057</u>	<u>1,075,399</u>
<b>Net assets</b>					
<b>Funds of the charity</b>					
Unrestricted income funds:					
General funds		<u>1,959,243</u>	<u>1,807,193</u>	<u>1,339,057</u>	<u>1,075,399</u>
<b>Total Charity funds</b>		<u><u>1,959,243</u></u>	<u><u>1,807,193</u></u>	<u><u>1,339,057</u></u>	<u><u>1,075,399</u></u>

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

28/9/2022

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

*Sir Alec Reed*

.....  
**Sir Alec Reed**

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

**THE REED EDUCATIONAL TRUST LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR**  
**THE YEAR ENDED 31 DECEMBER 2021**

Note	Total funds 2021 £	Total funds 2020 £
<b>Cash flows from operating activities</b>		
Cash generated from operations	103,396	353,360
Interest received	2,135	4,280
Tax paid	-	-
<b>Net cash generated by operating activities</b>	<b>105,531</b>	<b>357,640</b>
<b>Cash flows used in investing activities</b>		
Purchase of Tangible Fixed Assets	(31,129)	(2,577)
Purchase of Intangible Fixed Assets	(9,815)	-
<b>Net cash used in investing activities</b>	<b>(40,944)</b>	<b>(2,577)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>64,587</b>	<b>355,063</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1,336,951</b>	<b>981,888</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,401,538</b>	<b>1,336,951</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
<b>Net income for the reporting period (as per the statement of financial activities) before taxation</b>	152,050	207,211
<b>Adjustments for:</b>		
Interest received	(2,135)	(4,280)
Depreciation and amortisation	65,882	68,584
(Profit) / loss on disposal	(1,250)	-
Tax (credit) / expense	(26,029)	60,487
(Increase) / decrease in Debtors	(26,916)	27,640
Decrease in Creditors	(58,206)	(6,282)
<b>Net cash provided by operating activities</b>	<b>103,396</b>	<b>353,360</b>

The Group has no debt and accordingly no net debt reconciliation is reported.

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

## THE REED EDUCATIONAL TRUST LIMITED

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

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#### 1 Statutory Information

The Reed Educational Trust Limited is a charitable private company, limited by guarantee, registered in England and Wales. The Charitable Company's registered number and registered office address can be found on the Charitable Company information page.

In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Basis of preparation

The financial statements of the Group and Charitable Company, 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 (FRS102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Charitable Company and its subsidiary undertaking drawn up to 31 December on a line by line basis.

A subsidiary is an entity controlled by the Charitable Company. Control is achieved where the Charitable Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. Inter-company transactions and balances, between the Charitable Company and its subsidiaries, are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

##### Going concern

As disclosed in the Trustee's Report, the longer term impact of Covid-19 pandemic has continued to have a significant impact on the Group. In assessing the going concern status of the Group and Charitable Company, the Trustees have given consideration to the cash on hand and available position of the Group at the date of approving the financial statements, prepared detailed cash flow forecasts and projections and applied stress test scenarios to those forecasts. The Trustees have also taken into consideration how the Group has adapted positively to the effect of Covid-19, including reviewing their ongoing provision of training.

After reviewing the Group's forecasts and projections, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group and Charitable Company therefore continues to adopt the going concern basis in preparing its financial statements.

## THE REED EDUCATIONAL TRUST LIMITED

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

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#### 2 Accounting policies (continued)

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Judgements**

No significant judgements have been made by management in preparing these financial statements.

##### **Key sources of estimation uncertainty**

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

##### **Turnover and income**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Group recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the Group's activities.

##### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

##### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

##### **Intangible assets**

Software and website costs have been recognised and capitalised as the costs of the asset can be measured reliably and it is probable that future economic benefits that are directly attributable to the asset will flow to the Group.

## THE REED EDUCATIONAL TRUST LIMITED

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

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#### 2 Accounting policies (continued)

##### Amortisation

Amortisation is charged to the cost of providing courses and accommodation so as to write off the cost of assets over their estimated useful lives as follows:

Asset class	Amortisation method and rate
Software development and website costs	3 years straight line

##### Tangible fixed assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation on a straight line basis over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Freehold buildings	50 years
Leasehold land and buildings	10 years
Garden equipment	5 years (10 years prior to 2008)
Fixtures and fittings	5 years (10 years prior to 2008)

##### Stocks

Stocks are valued at the lower of cost and net realised value, after making due allowance for obsolete and slow moving items.

##### Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debtors.

##### Cash at bank and in hand

Cash at bank and cash 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.

##### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

##### Provisions

Provisions are recognised where the Group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Provisions are normally recognised at their settlement amount.

##### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis

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## THE REED EDUCATIONAL TRUST LIMITED

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

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over the period of the lease.

#### 2 Accounting policies (continued)

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

##### **Funds accounting**

Unrestricted funds are those funds which the Trustees are free to use in accordance with charitable objects. Restricted funds are funds which are given for particular purposes specified by their donors.

##### **Financial instruments**

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

##### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

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**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**3 Analysis of expenditure**

	Charitable Activities £	Charitable Donations £	Other Activities £	Total 2021 £	Total 2020 £
Provision of courses and accommodation	1,517,772	-	-	1,517,772	1,553,547
Charitable Donations	-	21,097	-	21,097	5,000
Hire of facilities to other course	-	-	62,039	62,039	56,932
Administrative / Managerial / Financial expenses	315,858	-	5,221	321,079	245,883
External Audit	10,400	-	-	10,400	10,450
Legal & other professional services	3,257	-	-	3,257	66
Taxation	(26,029)	-	-	(26,029)	33,098
<b>Total 2021</b>	<b>1,821,258</b>	<b>21,097</b>	<b>67,260</b>	<b>1,909,615</b>	<b>1,904,976</b>
<b>Total 2020</b>	<b>1,833,197</b>	<b>5,000</b>	<b>66,779</b>		

**4 Miscellaneous sales**

	2021 £	2020 £
Other operating income	4,381	5,861
Government grants	11,620	71,071
	<u>16,001</u>	<u>76,932</u>

Government grants relate to grants receivable under the Coronavirus Job Retention Scheme.

**5 Operating profit**

	2021 £	2020 £
Operating profit is stated after charging:		
Auditors' remuneration	10,400	10,450
Amortisation of intangible fixed assets: owned assets	818	-
Depreciation of tangible fixed assets: owned assets	<u>65,064</u>	<u>68,584</u>

**6 Trustees and directors**

One of the Trustees received remuneration from the Group in the year 31 December 2021 (2020: one).

The Trustees have the power to appoint a paid member of staff as a trustee and duly appointed Stella Shaw in September 2014, who is a paid member of staff for the Group's trading subsidiary. Remuneration was paid to Stella Shaw in respect of her role as Operations Manager of the trading subsidiary, not as payment for her trusteeship. No other remuneration, other benefit or reimbursement of trustee expenses was paid to Trustees for the year ended 31 December 2021 nor the year ended 31 December 2020.

	2021 £	2020 £
Directors' emoluments	<u>45,660</u>	<u>40,556</u>

**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**7 Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	506,687	517,617
Social security costs (Employers NI)	41,924	44,589
Other pension costs	10,231	10,136
Redundancy costs	-	43,548
	<u>557,842</u>	<u>615,890</u>

The average number of employees during the year was 18 (2020: 22).

No employees received employee benefits in excess of £60,000 during the year (2020 - none).

**8 Taxation**

All income of the Charitable Company falls within the exemptions afforded to corporate charities and charitable trusts by Sections 478 and 479 Corporation Tax Act 2010 and Sections 524 and 525 Income Tax Act 2007 and there is no corporation tax payable by the Charitable Company.

The subsidiary is not a charity and is subject to Corporation taxation.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Corporation Tax effective at 19% (2020: 19%)	32,361	56,840
UK corporation tax adjustment to prior periods	(56,840)	(27,389)
Deferred tax charge for the year	3,049	3,647
Deferred tax adjustment arising from changes in tax rates	3,073	-
Deferred tax adjustment to prior periods	(7,672)	-
	<u>(58,390)</u>	<u>33,098</u>

**9 Financial performance of the charity**

The consolidated statement of financial activities includes the results of the Charity's wholly owned subsidiary, Reed Business School Limited, whose activities are set out in Note 12.

As permitted by section 408 Companies Act 2006, the parent charitable company's statement of financial activities has not been included in these financial statements. Its surplus for the financial year was £263,658 (2020: £87,675).

**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10 Intangible fixed assets**

**Group**

	<b>Software Costs £</b>
<b>Cost</b>	
1 January 2021	46,833
Additions	9,815
Disposals	(46,833)
31 December 2021	<u>9,815</u>
<b>Depreciation</b>	
1 January 2021	46,833
Elimination on disposal	(46,833)
Charge for the year	818
31 December 2021	<u>818</u>
<b>Net book amounts</b>	
31 December 2021	<u><u>8,997</u></u>
31 December 2020	<u><u>-</u></u>

The Charitable Company has no intangible fixed assets.

**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**11 Tangible fixed assets**

<b>Group</b>	<b>Garden Equipment £</b>	<b>Fixtures and Fittings £</b>	<b>Short Leasehold Land and Buildings £</b>	<b>Freehold Land and Buildings £</b>	<b>Total £</b>
<b>Cost</b>					
1 January 2021	12,581	617,068	472,031	818,011	1,919,691
Additions	-	26,466	-	6,163	32,629
Disposals	-	(5,000)	-	-	(5,000)
31 December 2021	12,581	638,534	472,031	824,174	1,947,320
<b>Depreciation</b>					
1 January 2021	12,581	556,245	407,459	259,746	1,236,031
Elimination on disposal	-	(4,750)	-	-	(4,750)
Charge for the year	-	25,358	16,830	22,876	65,064
31 December 2021	12,581	576,853	424,289	282,622	1,296,345
<b>Net book amounts</b>					
31 December 2021	-	61,681	47,742	541,552	650,975
31 December 2020	-	60,823	64,572	558,265	683,660

Included within the net book value of land and buildings above is £541,552 (2020: £558,265) in respect of freehold land and buildings.

**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**11 Tangible fixed assets (continued)**

**Charitable Company**

	<b>Garden Equipment £</b>	<b>Fixtures and Fittings £</b>	<b>Short Leasehold Land and Buildings £</b>	<b>Freehold Land and Buildings £</b>	<b>Total £</b>
<b>Cost</b>					
1 January 2021	12,581	45,525	154,132	818,011	1,030,249
Additions	-	-	-	6,163	6,163
Disposals	-	-	-	-	-
31 December 2021	12,581	45,525	154,132	824,174	1,036,412
<b>Depreciation</b>					
1 January 2021	12,581	45,525	95,052	259,746	412,904
Elimination on disposal	-	-	-	-	-
Charge for the year	-	-	15,414	22,876	38,290
31 December 2021	12,581	45,525	110,466	282,622	451,194
<b>Net book amounts</b>					
31 December 2021	-	-	43,666	541,552	585,218
31 December 2020	-	-	59,080	558,265	617,345

Included within the net book value of land and buildings above is £541,552 (2020: £558,265) in respect of freehold land and buildings.

**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**12 Trading subsidiary**

The trading subsidiary Reed Business School Limited (company number: 02949665), which is incorporated in the United Kingdom and as the same registered office as the Charitable Company, runs the educational college and all commercial trading activities. The subsidiary may covenant a proportion of its profits after taxation to the Charitable Company. The Charitable Company owns the entire share capital of 2 ordinary shares of £1 each.

A summary of the trading results is shown below:

	<b>2021</b>	<b>2020</b>
	£	£
<b>Turnover</b>	2,043,529	2,030,975
Cost of sales and administrative costs	(1,867,915)	(1,812,320)
Other operating income	16,469	80,143
Taxation	26,029	(33,098)
Donation paid to parent charity, recognised as a distribution	(329,915)	(145,270)
<b>Net profit retained in subsidiary</b>	<u>(111,803)</u>	<u>120,430</u>
<b>The assets and liabilities were:</b>		
Fixed assets	74,754	66,315
Current assets	986,027	1,189,596
Current liabilities	(372,563)	(471,648)
Non-current liabilities	(52,178)	(34,870)
Provisions	<u>(15,852)</u>	<u>(17,402)</u>
<b>Aggregate share capital and reserves</b>	<u>620,188</u>	<u>731,991</u>

**13 Debtors**

	<b>Group</b>		<b>Charitable Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Amounts falling due within one year</b>	£	£	£	£
Trade debtors	80,256	44,856	-	-
Other debtors	5,653	195,100	5,653	-
Prepayments and accrued income	255,007	74,044	3,833	468
	<u>338,824</u>	<u>314,000</u>	<u>9,486</u>	<u>468</u>

**14 Creditors**

	<b>Group</b>		<b>Charitable Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Amounts falling due within one year</b>	£	£	£	£
Trade creditors	186,998	121,702	1,929	2,238
Taxation	32,361	56,840	-	-
Accruals and deferred income	119,875	172,313	2,000	2,600
VAT	20,804	89,727	-	-
Payroll liabilities	12,802	34,644	-	-
Other creditors	3,652	260	-	-
Apprenticeship incentives	-	1,000	-	-
	<u>376,492</u>	<u>476,486</u>	<u>3,929</u>	<u>4,838</u>
<b>Amounts falling after one year</b>				
Deferred income	52,178	34,870	-	-

**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**13 Creditors (continued)**

Deferred income relates to the apprenticeship funding received from the ESFA and is topped up by employers when necessary. The balance of deferred income has moved in the year as follows:

Deferred income reconciliation	Group		Charitable Company	
	2021 £	2020 £	2021 £	2020 £
Balance at 1 January	128,594	154,080	-	-
Amount released in year	(128,594)	(154,080)	-	-
Amount deferred in year	100,794	128,594	-	-
Balance at 31 December	100,794	128,594	-	-

**15 Provision for liabilities and charges**

	Deferred Tax £
1 January 2021	17,402
Decrease in provision in year	(1,550)
31 December 2021	15,852

**16 Leasing Agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	81,409	88,810
Between one and five years	-	81,409
	81,409	170,219

The amount of non-cancellable operating lease payments recognised as an expense during the year was £45,116 (2020 - £28,068).

**17 Transactions involving Trustees**

The parent company operated from premises held on a lease.

Sir Alec Reed is a trustee of the Reed Educational Trust Limited and has a material interest in Reed Global Ltd. The company trades with Reed Global Ltd and its subsidiaries, Reed Specialist Recruitment Ltd, Reed Property Ltd, Reed Online Ltd and Reed Foundation a normal trading basis. Please refer to note 18 on related party transactions, subsections (i) to (iii) for further details of transactions.

**THE REED EDUCATIONAL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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**18 Related party transactions**

The Group had the following related party transactions during the year:

**(i) Sir Alec Reed**

Relationship – Sir Alec Reed is a Trustee of the Charitable Company, The Reed Educational Trust Limited. The Group paid rent to Sir Alec for some properties used by residential students. The Company also shares the cost of a gardener with Sir Alec. The rent due for the car park and residential properties for the year totalled £8,250 (2020: £6,500). The shared cost of a gardener was £nil (2020: £1,327). The balance due to Sir Alec Reed at the year-end was £9,360 (2020: £nil).

**(ii) Reed Global Limited and its subsidiaries**

Relationship – There are common Directors and Trustees in both Reed Global Limited and the Charitable Company, including Sir Alec Reed who has a material interest in Reed Global Limited.

The Group invoices Reed Global Limited and its subsidiaries for professional training courses. The amount invoiced in the year totalled £2,999 (2020: £Nil). The balance due from Reed Global Limited subsidiaries at the year-end was £1,477 (2020: £Nil).

Reed Specialist Recruitment Limited invoiced the Group for the cost of staff working at the company and for other administrative recharges totalling £82,011 (2020: £82,542) and accrued £11,353 (2020: £8,579). The balance due to Reed Specialist Recruitment Limited at the year-end was £6,768 (2020: £Nil).

The Group invoiced Reed Specialist Recruitment Limited for use of facilities totalling £22,697 (2020: £Nil). The balance due from Reed Specialist Recruitment Limited was £24,956 (2020: £84).

Reed Property Limited invoices the Group for the use of property for residential students. The amounts invoiced in the year totalled £2,730 (2020: £1,820). The balance due to Reed Property Limited at the year-end was £910 (2020: £Nil).

**(iii) The Reed Foundation**

Relationship – Sir Alec Reed and James Reed are Trustees of the registered charity The Reed Foundation. The Reed Foundation owns property utilised by the Group. Rent is paid on the Manor and several other properties in the village which are owned by The Reed Foundation. The amount invoiced in the year was £39,116 (2020: £26,078). The amount due to Reed Foundation at the year-end was £39,116 (2020: £Nil).

**19 Analysis of charitable funds**

The entire funds held by the Charitable Company are unrestricted and are free reserves for use in achieving the charity's aims and objectives.

**20 Control**

The Charitable Company is controlled by the Board of Trustees / Directors.

**THE REED EDUCATIONAL TRUST LIMITED**  
**SOLUS STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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	2021 £	2020 £
Incoming resources:		
Donation from subsidiary	329,915	144,070
Other income	942	-
Interest received	725	1,069
	<hr/> 331,852	<hr/> 145,139
 Expenditure on charitable activities	 (67,924)	 (58,162)
	<hr/>	<hr/>
<b>Net surplus)</b>	<b>263,658</b>	<b>86,977</b>
Total funds brought forward	1,075,399	988,422
	<hr/>	<hr/>
<b>Total funds carried forward</b>	<b>1,339,057</b>	<b>1,075,399</b>
	<hr/>	<hr/>

This page does not form part of the financial statements