

A S Hornby Educational Trust CIO

Trustees' Report and Accounts
For the year ended 31 March 2023

A S Hornby Educational Trust CIO

Reference and administrative information

Trustees	C. Moore (Chair) S. Maingay (Vice Chair) A. Manek (Treasurer) Dr B. Chakravarti Dr M. Wedell Prof A. Padwad Prof H. Kuchah Kuchah (appointed 12 July 2022) A. Searle Dr N. Kemp Prof G. Hall (appointed 12 July 2022)
Secretary	J. Allott (resigned 31 December 2022) D. Candy (appointed 1 January 2023)
Charity number	1198267
Principal address	Orbital House 20 Eastern Road Romford Essex RM1 3PJ
Independent Auditors	Moore Kingston Smith LLP Orbital House 20 Eastern Road Romford Essex RM1 3PJ
Bankers	Lloyds TSB 1 Reading Road Henley-on-Thames Oxon RG9 1AE
Investment advisors	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB
Legal advisors	Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR

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Trustees' Report

For the year ended 31 March 2023

The Trustees present their report and accounts for the year ended 31 March 2023.

They confirm that the accounts comply with current statutory requirements and with the requirements of the Trust Deed.

1. Structure and governance

1.1 Legal status and relation to predecessor unincorporated Trust

The A.S. Hornby Educational Trust CIO was established on 16th March 2022 with Charity Commission registration number 1198267. It was established with a view to modernising the structure of its unincorporated predecessor the A.S. Hornby Educational Trust, which had been established through a Deed executed by A.S. Hornby (ASH) on 17 November 1961 and registered with the Charity Commission on 3 July 1962 with registration number 313394.

On 23 October 2022 the assets, liabilities and activities of the unincorporated charity were transferred to the CIO. Operationally the activities have remained the same, Lloyds Bank (who since its inception have been the unincorporated Trust's bankers) are in the process of opening a new bank account for the CIO. Once this has been opened, the old Trust's cash holdings will be transferred to it. The Deed of Transfer governing the transfer of the old Trust's assets, liabilities and activities (executed on 21 October 2022) provides (Clause 2.4) that, until such time as the new bank account is opened, the existing bank account shall be operated on behalf of both the unincorporated Trust and the CIO.

Following the opening of the new CIO account and the transfer to it of the unincorporated Trust's cash balance, the old unincorporated Trust will be merged into the new CIO on the Charity Commission's Register of Mergers.

1.2 Presentation of Financial Statements

In the presentation of these Financial Statements the CIO has taken advantage of the merger accounting principles of the Statement of Recommended Practice on Accounting and Reporting by Charities (FRS 102 SORP). The results of the full accounting year ending 31 March 2023 are accordingly presented together with comparative figures for the previous year (as reported in the unincorporated Trust's Annual Accounts and Trustees' Report for the financial year ending 31 March 2022).

1.3 The Board of Trustees

The affairs of the Trust are conducted through a Board of Trustees that meets regularly throughout the year. The Chair of the Board is chosen by Trustees from among Trustees.

In the year ending March 2023 the Trust CIO's first charity trustees were able to welcome two new trustees: Dr Harry Kuchah Kuchah (Hornby Scholar Alumnus, past president of IATEFL and currently Associate Prof. in Languages, Social Justice and Education at the University of Birmingham, and Prof. Graham Hall (Professor of TESOL at the University of Northumbria).

New Trustees receive documentation covering all aspects of the activities of the Trust and the functions of the Board of Trustees. They normally attend a Trustees' meeting prior to appointment and are offered the opportunity to attend a briefing. The annual calendar of trustees' meetings includes an Annual General Meeting in November between the Trustees and their accountants and investment managers, at which a financial statement is submitted, and investment policy discussed against the background of the economic situation. Trustees meet on a regular basis, usually bi-monthly.

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Trustees' Report (Continued)

For the year ended 31 March 2023

Nominated Working Groups of trustees hold scheduled meetings to conduct specific aspects of the Trust's activities or management and may arrange other meetings at such times as required for specific purposes.

Trustees have drawn up a register of the major governance, strategic and operational risks which the charity faces, and actions which have been, or need to be, taken to mitigate these. A Risk Management Committee has been established to review this register on a quarterly basis and to report back to all trustees on any additions or amendments that are needed. The Risk Management Committee is currently devising an updated risk management structure and format which will be proposed to trustees during 2024.

The CIO maintains the practice established by its predecessor unincorporated Trust of each year adopting a rolling three-year business plan to come into effect at the beginning of the forthcoming financial year. The business plan is consistent with current Trust policy in relation to income and expenditure and reserves. In addition, Trustees maintain and develop policy documents relating to the following areas: investment policy; risk management; safeguarding; privacy incl. GDPR; conflict of interest; environment; cyber-security; compliance (fraud & counter-terrorism); trustee recruitment, selection and induction; and general operations, through an Operations Manual. These are to be reviewed by all Trustees on an annual basis.

2. Objects and activities

The charitable objects of the CIO remain identical in all respects to those originally specified by A.S. Hornby when establishing the predecessor unincorporated Trust, viz:

"The objects of the A.S. Hornby Educational Trust are exclusively charitable and subject thereto are the advancement of the study of English Language and the teaching and Learning of English as a Foreign Language in such manner and by such means as the Trustees shall from time to time think fit and in particular by providing scholarships and grants to be called "the Hornby Scholarships " to enable foreign and commonwealth teachers to come to the United Kingdom and there to study the English Language."

In accordance with the founder's expressed wish regarding the financial proceeds from sales of his dictionaries and other works, to 'have the money used for education and go back to the countries from which it comes, the Trust mainly (though not exclusively) focuses on improvement of English learning and teaching within public education in low- and lower-middle-income countries.

In line with this aim the Trust has for many years awarded scholarships to support students from developing and transitional countries to follow one-year MA courses at British universities. Since 1971, when the Hornby Scholarships programme was first instituted, a total of more than 450 Hornby Scholars worldwide have benefitted from the Trust's support.

Since 2018/19 the Trust has also sought to prioritise the 'decentring of ELT', which is taken to mean, primarily, promoting new thinking (on methodology, materials design, curriculum development, teacher education, etc.) which is led by participants in these low/middle-income countries, rather than by 'outside experts'.

Further details of the above, and other areas of the Trust's activities, are given in section 3 below.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit when considering their activities in pursuit of the Trust's charitable objectives.

3. Activities in the reporting year

3.1 Hornby Scholarships.

The Trust's flagship charitable activity has always been the Hornby Scholarships programme, hitherto managed by the British Council. Since 1971, when the Hornby Scholarships programme was first instituted, more than 450 Hornby Scholars worldwide have benefitted from the Trust's support.

- In 2022/23 a total of 15 Scholars completed the Warwick University MA TESOL which they had started in September 2021. Of these 10 achieved overall Distinctions and the remaining 5 Merits. In September 2022 a fresh 2022/23 cohort of 10 Scholars commenced their Warwick MAs. This group will however be the last Warwick cohort, since the current legal agreement between the University and the British Council reaches the end of its specified term in summer 2023.
- In summer 2022 the British Council informed us that they would, regretfully, no longer be able to continue with the key role in Hornby scholarships recruitment and management which they have played to distinguished effect ever since the programme first started. This reduction in support was necessitated by major organisational and resource restructuring following the Covid pandemic. The British Council however confirmed that it would continue to provide scholarship management for the last Warwick cohort (academic year 2022/23).
- In autumn 2022 the Trust, with guidance and support from the British Council, led on organising an open tender to select a UK higher education institution to host Hornby Scholars for 3 academic years starting from September 2023. A total of 13 HEIs submitted bids and, following a careful evaluation process conducted by the Trust (once again supported by the British Council), the University of Exeter was selected to host up to 10 Hornby Scholars per annum on its MEd-TESOL programme commencing September 2023. A Strategic Partnership Agreement governing the Hornby Scholarships arrangements for the 3 academic years 2023/24 - 2025/26 was accordingly signed and executed as a Deed by the University and the Trust on 27th February 2023.
- In 2022/23 the Trust introduced, as an addition to the existing scholarships programme, an MA scholarship to support the teaching of English to refugees. We invited applications from experienced teachers who were themselves refugees, or had previously held refugee status, and were currently teaching English to refugees or asylum seekers in the UK. We were able to award the scholarship to a recent refugee from Afghanistan who in September 2022 joined the final cohort of regular Hornby scholars at Warwick.

3.2 Alumni support

After completing their scholarship MA studies many Hornby alumni resume or move on to senior professional positions within their own or other countries. The Trust attaches great importance to fostering the continuing development of this professional network, and, wherever appropriate and feasible, supporting contributions by alumni to current and planned Trust activities. In past years the British Council has played a crucial role in discharging many of the administrative and organisational aspects of this support. However, it has unfortunately also had to withdraw from this role, so the Trust will increasingly become directly responsible in the future.

- **Alumni Project grants.** For a number of years the Trust has encouraged alumni to apply for grants (normally of £1,500) to support the implementation of projects designed to support effective English language teaching in their home contexts. In 2022 we organised a one -day workshop at Warwick for the 2021/22 cohort of Hornby scholars to discuss ideas for small scale projects that they might initiate on their return home, and factors that they would need to consider if/when doing so. Following this a majority of applicants took advantage of the mentoring support available from Dr Martin Wedell (Leeds University, and now a Trustee of the Hornby Trust) and 12 successful project proposals were identified.

- **Alumni participation in IATEFL annual International Conferences.** The Trust also attaches importance to supporting the participation of alumni in each year's IATEFL Conference. In 2022/23 the Trust again chose the leaders of two Alumni Projects to present their work at IATEFL 2023.
- **Teacher education curriculum development grants scheme.** This scheme provides grants of up to £2k to Hornby alumni currently involved in delivering existing in-service MA and related teacher education programmes, to enable them to introduce curriculum development measures designed to strengthen the programme's focus on classroom-based, teacher-centred approaches to teacher education. The scheme's pilot round in 2021/22 resulted in the launch of one such project in India, and implementation continued in 2022/23 with mentoring support from current and past Hornby trustees. Constraints on staff time have however delayed a second Call for Applications under the scheme, so processing this second round of applications will be done in 2023/24.
- **Alumni ELT Journal articles mentoring scheme.** This scheme provides mentoring support for Hornby alumni seeking to prepare and submit articles for inclusion in the ELT Journal. In 2022-23 the first round of this scheme continued under the supervision of Dr Jason Anderson (Warwick University). 5 papers with writers from Bangladesh, India, Kazakhstan Madagascar, and Nigeria, were mentored throughout the year.
- **Online alumni gatherings.** In 2022/23, thanks to the efforts of an energetic alumna (Komila Tangirova currently completing a PhD at Warwick) we have been able to arrange two online alumni gatherings (in October and February). Both were well attended (40-50 participants).

3.3 Teacher Association support

The Hornby Teacher Association (TA) Project Award Scheme, launched in 2019/20, offers funding each year for projects which, through TA activity, stimulate and enhance the professional development of ELT practitioners, especially in public education systems in low- and middle-income countries.

In 2022-23, we offered up to 20 awards of £2k each to support these projects, highlighting the desirability of connecting project aims to aspects of the Trust's Decentring initiative (see below) wherever possible. From a large number of applications received, 10 TAs were awarded grants. These TAs were invited to participate in an online gathering during which they were able to meet one another, identify shared interests and possibilities for collaboration, and establish a Whatsapp group to facilitate contact and sharing throughout the year. To make project reports available to a wider audience we also continue to use the services of an editor, who has edited some of the most interesting project reports from 2018- 19/2019-20/2020-21. These are now available to be read through the Hornby Trust website (<https://www.hornby-trust.org.uk/projects#Projects>).

As part of our support for Teacher Associations in 2022/23 we launched a new scheme to celebrate the contribution made to ELT and to the work of the Trust by the late Roger Bowers, a former Hornby Chair. Under the Roger Bowers Teacher Participation Grants Scheme we asked Teacher Associations to bid for a small grant of up to £500 each to enable them to help deserving teachers from under-resourced contexts to attend a specified TA event. The scheme was launched in October 2022, with a very tight deadline but were nevertheless able to award a grant to an excellent project from the Uganda National English Language Teachers Association (UNELTA).

3.4 A.S. Hornby Dictionary Research Awards (ASHDRA).

Through these annual awards we aim to facilitate innovative research into areas of lexicography which reflect and extend the pioneering contributions of A.S. Hornby within the field of language education. For the 2022/23 ASHDRA awards, we received 14 proposals from teachers and researchers in 8 different countries (as compared with 9 proposals from 7 countries in 2021/22) and were able to make 3 awards. We have now received final reports on the completion of six projects and edited versions of these reports are available on the Hornby Trust website.

3.5 Decentring English Language Teaching (ELT)

Since 2018 the Trust has been developing a 'Decentring English' initiative. Work undertaken within that initiative and involving Hornby alumni, TAs and related professionals worldwide has resulted in a deeper, albeit still evolving, understanding of what we mean by "Decentring ELT". This has most recently (December 2022) been expressed as follows:

A decentring perspective involves valuing and seeking to understand how teachers, often collaborating with each other, try to articulate key features of their work (including the reasons for these features) and ways they feel their practice can be improved. It highlights teachers' own development of contextually appropriate thinking and action (on methodology, materials design, curriculum development, teacher education, and so on) in relation to the needs of their local contexts. Decentring ELT enables exploration of alternatives to English language teaching centred on 'outsider' agendas [...]

In 2022/23 a publication emerging out of the first Decentring Conference (December 2021) was completed and launched and a second Decentring Conference was held online in March 2023. This generated remarkable interest and response from 55 - 72 concurrent participants over two half-days.

At the same time the Decentring initiative began to influence, more or less explicitly, a range of Trust activities. The Decentring team met in May 2022 in Warwick, and included a meeting with the current Hornby scholars, to discuss future directions and possibilities.

3.6 History of English Language Education (HELE).

This initiative involves support for the consolidation and enhancement of a collection of historical ELT materials, as well as its active dissemination and exploitation for practical use by English language learners and teaching practitioners around the world. The initiative also aims to support the development, in partnership with Hornby alumni in India, of a preliminary bibliography of India-published materials for teaching English.

In 2022/23 HELE activities were undertaken through two complementary strands, one at Warwick and the other in India. Work continued on further expanding the current bibliography of the Warwick ELT archives, identifying missing items and attempting to procure them, and cataloguing and digitalising the collection. In India, work is at an advanced stage on the historical bibliography of textbooks from colonial India is at an advanced stage, with nearly 400 sources collected and draft annotations prepared. The first HELE India conference was held in Delhi on 5-6 December 2022. It generated a strong response, bringing together academics and researchers interested in HELE from all over India. The publication of the proceedings of the conference is in progress. A society for the promotion of HELE studies in India was also announced at the conference, with a steering committee constituted to give a formal shape to the society.

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Trustees' Report (Continued)

For the year ended 31 March 2023

4. Grants

Since 2018/19 it has been the Trust's policy no longer to offer grants to general education charities, and instead to focus such support on organisations with strategic synergy with the Hornby Trust's charitable objects and strategic focus, or on suitable organisations or individuals for activities which contribute to the celebration and enhancement of A.S. Hornby's professional interests and achievements, and so enhance the Hornby brand.

4.1 Lexicography. In 2022/23 we continued our grant support to two major lexicographic conferences which are run annually on an alternating basis by Euralex and eLex. A grant of £5,000 was paid to support the Euralex Conference which was held in October in Mannheim, Germany. The event included a specific slot in which current holders of the Trust's A.S. Hornby Dictionary Research Awards were able to present their projects.

5. Plans for future periods

5.1 Plans for future charitable activity and expenditure will be developed and agreed by trustees in the form of the CIO's 2023/24 Business Plan, which trustees aim to approve before 1 April 2024. Impact Report

Because of the pandemic, we had to cancel our 2020/21 plans to recruit specialist consultancy support to design and conduct a major study into the charitable and educational impact that the unincorporated Trust has achieved since its inception in 1961. In 2022/23 the additional work incurred by the need to take on at short notice tasks previously undertaken by the British Council has necessitated our postponing this study for a further year.

5.2 A S Hornby Regional Workshops

In 2018-19 and 2019-20 we supported Regional Workshops in three regions: Sub-Saharan Africa, Southeast Asia, and Latin America. Representatives from more than 50 national Teacher Associations (TAs) participated in these regional workshops.

The disruption caused by the Covid-19 pandemic, followed by the withdrawal of the British Council from financial and organisational involvement in these events, has meant that we have been unable to support any further on-ground Regional Workshops.

The Trust is currently considering the future of both online and regional workshops.

5.3 Principal risks and uncertainties

These are currently identified as:

- Stock market volatility (affecting the Trust's investment assets). This risk is managed through continuing dialogue between trustees and the Trust's Investment Managers Quilter Cheviot.
- Sustainability of level/range of operations in the light of support staff capacity. In addition to the post of Trust Secretary, we have engaged the services of a part-time Operations Manager, and are in the process of also recruiting a part-time Banking and Finance Officer, to provide trustees with support in the conduct of the CIO's charitable activities and functions. The Trust will continue to procure (and pay reasonable and appropriate fees for) the services of suitably qualified individuals/organisations to undertake agreed operational and/or administrative tasks for which

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Trustees' Report (Continued)

For the year ended 31 March 2023

- resources are not available on the Board or within the support staff team (Secretary, Operations Manager, and Banking and Finance Officer).
- Succession planning for Chair, Vice-Chair, Trustees and supporting staff. The Trust's Recruitment Policy is being developed to include robust succession planning procedures to be implemented in advance of the retirement of any Office holder, Trustee or support staff, or any other personnel with key skills and/or experience (e.g. financial).
- International bank transfers (for the payment of grants awarded to organisations or individuals based overseas). The Trust is increasingly paying grants directly to overseas-based organisations and individuals through international bank transfers. In order to mitigate the risk of the Trust being accused of inadvertently failing to comply with Anti-money-laundering and Prevention of Terrorism legal and regulatory provisions, a new Compliance Policy is being prepared which will draw on specialist advice and current best practice to prescribed standards and procedures to which the Trust will adhere in these respects.
- Delivery partner malfeasance. Each delivery partner is rigorously vetted in advance. In all cases written Agreements are signed in advance, and include provisions to protect the Trust's interests in the event the partner is negligent, engages in fraudulent practices, or fails to meet required operational standards

6. Financial Review, Sources of Funding and Reserves Policy

6.1 Financial review and sources of funding

The principal sources of income are royalty income and investment income. During the year under review, income from these sources enabled the Trust to maintain its normal level of grant-making. However, to strike an appropriate balance between immediate and long-term charitable impact, the Trustees have determined that, as necessary, levels of expenditure exceeding projected annual income may be authorised.

This will entail a reduction in the Trust's reserves, and the effect of this is carefully monitored each year in finalising the business plan for the following year.

Investments were managed during the year within the criteria set out in the Trust's investment policy, which along with other policies is reviewed annually. Variations of investment were made regularly during the year to ensure that the investments held were maximised in relation to market conditions.

The majority of the Trust's holdings were not high risk, and discussions were held between the Investment Manager and Trustees as to the proportion of investments to be held at different levels of risk and in cash.

The net movement of funds for the year was a decrease of £498,440 following the previous year's increase of £76,366.

Excluding investment gains and losses, the Trust had net outgoing resources of £301,591 (2022: £291,981 net outgoing resources).

The market value of the charity's investments decreased by 2.6% before taking account of the withdrawals from the investment portfolio (2022: increased by 3.6%). There are no restrictions on the charity's investment powers.

The Trust will have sufficient funds to meet all its ongoing activities and current commitments.

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Trustees' Report (Continued)

For the year ended 31 March 2023

6.2 Reserves policy

As set out in paragraph 6 below, the Trustees are conscious of the risks and uncertainties relating to future sources of funding for the Trust. During the year, the Trustees considered it necessary to transfer endowment funds of £273,517 (2022: £163,635) to unrestricted funds.

Given that the Trust's endowment fund is expendable, the Trustees do not consider that it is necessary to identify a policy for the optimum level of free reserves to be maintained, as they are able to draw on the capital, if necessary, in response to additional expenditure commitments or an unexpected fall in income.

7. Governance and administration

The Trust CIO is administered by a Board of up to ten Trustees, of whom one is its Chair. Specialist services are provided by the CIO's Accountants and its Legal and Financial Advisers. During the course of the reporting year, the Trust undertook a recruitment exercise to contract a consultant Operations and Governance Manager, reflecting the reduced support the British Council is now able to provide for the administration of Trust activities. The initial appointee resigned in December 2022 and a new Operations Manager was contracted with an amended job specification in January 2023.

The Trust remains a small organisation, with overheads in line with charity sector best practice, committed to good stewardship of A S Hornby's legacy.

7.1 Trustees' responsibilities for preparing reports and financial statements.

The trustees as at the date of approval of this report are listed on its first page. The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 trust deeds. 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.

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Trustees' Report (Continued)

For the year ended 31 March 2023

On behalf of the Board of Trustees

Carline Moore

Chair, Board of Trustees.....CAROLINE MOORE

Date 12 January 2024

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Independent Auditor's Report

To the Members of A S Hornby Educational Trust CIO

Opinion

We have audited the financial statements of A S Hornby Educational Trust CIO for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, 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 FRS 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 charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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Independent Auditor's Report (Continued) To the Members of A S Hornby Educational Trust CIO

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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Independent Auditor's Report (Continued)

To the Members of A S Hornby Educational Trust CIO

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are [the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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Independent Auditor's Report (Continued)

To the Members of A S Hornby Educational Trust CIO

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



James Cross (for and on behalf of Moore Kingston Smith LLP)

Chartered Accountants
Statutory auditor



Orbital House
20 Eastern Road
Romford
Essex RM1 3PJ

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

A S Hornby Educational Trust CIO

Statement of Financial Activities For the year ended 31 March 2023

	Notes	Unrestricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Income from charitable activities:					
Royalties	3	117,506	-	117,506	111,968
Income from raising funds:					
Investment income	4	156,893	-	156,893	147,567
Total		274,399	-	274,399	259,535
Expenditure on:					
Charitable activities: Grants payable and associated support costs	5	547,916	-	547,916	525,109
Raising funds: Investment management fees		-	28,074	28,074	26,407
Total		547,916	28,074	575,990	551,516
Net operating deficit		(273,517)	(28,074)	(301,591)	(291,981)
Other recognised gains					
Realised (losses)/gains on investment assets	8	-	(54,476)	(54,476)	62,456
Unrealised (losses)/gains on investment assets	8	-	(142,373)	(142,373)	305,891
Net (expenditure)/income for the year		(273,517)	(224,923)	(498,440)	76,366
Transfers between funds		273,517	(273,517)	-	-
Fund balances at 1 April 2022		-	7,823,492	7,823,492	7,747,126
Fund balances at 31 March 2023		-	7,325,052	7,325,052	7,823,492

The notes on pages 16 - 24 form part of these accounts.

All income resources and expenditure derive from continuing activities.

The statement of financial activities included all gains and losses recognised in the year.

The detailed comparative information for the statement of financial activities is included at note 14.

A S Hornby Educational Trust CIO

Balance Sheet

As at 31 March 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	8		7,079,751		7,549,720
Current assets					
Debtors	9	22,895		24,958	
Cash at bank and in hand		242,051		267,837	
		<u>264,946</u>		<u>292,795</u>	
Creditors: amounts falling due within one year	10	<u>(19,645)</u>		<u>(19,023)</u>	
Net current assets			<u>245,301</u>		<u>273,772</u>
Total assets less current liabilities			<u><u>7,325,052</u></u>		<u><u>7,823,492</u></u>
Capital funds					
Endowment funds	11		7,325,052		7,823,492
			<u><u>7,325,052</u></u>		<u><u>7,823,492</u></u>

The accounts were approved by the Board of Trustees on 12 January 2024



C Moore
Trustee

Charity Registration No. 1198267

A S Hornby Educational Trust CIO

Notes to the Financial Statements For the year ended 31 March 2023

1 Accounting policies

Legal status

A S Hornby Educational Trust CIO is a charity registered in England & Wales.
The registered office is Orbital House, 20 Eastern Road, Romford, Essex, RM1 3PJ.

1.1 Basis of preparation

The accounts are prepared under the historical cost convention, except for investments, which are included at market value. They are presented in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared in accordance with the 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 effective 1 January 2019 (The FRS 102 Charities SORP) and Charities Act 2011.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The financial statements are prepared on a going concern basis. The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cause significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on royalty and investment income. Trustees are also sure that ASH has sufficient General Reserves to enable time for plans to be developed and implemented in a strategic and timely way, ensuring long-term financial stability. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the trustees continue to adopt the going concern basis in the preparation of the financial statements.

1.3 Income

Income represents all income receivable.

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Investment income is received net of investment management fees but is grossed up in the accounts for investment management fees.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category, net of recoverable VAT.

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

A S Hornby Educational Trust CIO

Notes to the Financial Statements (continued) For the year ended 31 March 2023

1 Accounting policies (continued)

- 1.4 Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award and its payment is probable.

- 1.5 **Irrecoverable VAT**
Irrecoverable VAT is included as part of the expenditure to which it relates.

- 1.6 **Costs of raising funds**
The costs of raising funds consist of investment management fees.

- 1.7 **Charitable activities**
Costs of charitable activities include grants payable.

- 1.8 **Support costs**
Support costs include the cost of general overheads, and governance arrangements relating to the administration of the charity.

- 1.9 **Fixed asset investments**
Investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date.

Changes in fair value and gains and losses arising on the disposal of investments are realised in the Statement of Financial Activities.

- 1.10 **Realised gains and losses**
All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investment are calculated as the difference between sales proceeds and original cost. Unrealised gains and losses are calculated as the difference between market value at the end of the year and the opening market value or cost at purchase date if later.

- 1.11 **Financial assets**
The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value. They are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

A S Hornby Educational Trust CIO

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

1 Accounting policies (continued)

1.12 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value. They are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

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

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Fund accounting

Details of expendable endowment funds are given in note 11.

2 Critical accounting estimates and judgements

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

3 Royalties

	2023	2022
	£	£
Unrestricted funds:		
United Kingdom - Oxford University Press	116,659	111,210
Malaysia - Oxford Fajar	-	208
ALCs	847	550
	<u>117,506</u>	<u>111,968</u>

4 Investment income

	2023	2022
	£	£
Dividends on listed investments and other income	114,736	126,710
Gilts interest received gross	42,157	20,857
	<u>156,893</u>	<u>147,567</u>

A S Hornby Educational Trust CIO

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

5 Grants payable and associated support costs

	Unrestricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Grants to British Council				
Scholarships	406,713	-	406,713	377,922
Alumni support	6,014	-	6,014	64,900
Teacher Association Support	6,718	-	6,718	3,000
General ELT purposes	20,000	-	20,000	20,000
Grants not used	(9,445)	-	(9,445)	(21,814)
	<u>430,000</u>	<u>-</u>	<u>430,000</u>	<u>444,008</u>
Grants paid directly by Trust				
Scholarships	7,866	-	7,866	-
Euralex	5,000	-	5,000	5,000
Hornby alumni support	4,673	-	4,673	-
Teacher Association Support	3,331	-	3,331	-
Hornby Dictionary research awards	23,067	-	23,067	-
Decentring ELT	4,323	-	4,323	-
History of English language education	10,000	-	10,000	15,282
	<u>58,260</u>	<u>-</u>	<u>58,260</u>	<u>20,282</u>
Support costs				
Website expenses	722	-	722	601
Irrecoverable VAT	7,901	-	7,901	7,687
Bank charges	306	-	306	210
Accountancy	8,246	-	8,246	5,163
Legal and professional	12,316	-	12,316	14,393
Secretarial services	20,391	-	20,391	19,080
Advertising	-	-	-	1,150
Subscriptions	510	-	510	-
	<u>50,392</u>	<u>-</u>	<u>50,392</u>	<u>48,283</u>

A S Hornby Educational Trust CIO

Notes to the Financial Statements (continued) For the year ended 31 March 2023

5 Grants payable and associated support costs (continued)

Governance costs

Audit and other services	7,920	-	7,920	7,900
Trustees' expenses	1,344	-	1,344	1,744
Trustees' conference	-	-	-	2,892
	<u>9,264</u>	<u>-</u>	<u>9,264</u>	<u>12,536</u>
Total	<u>547,916</u>	<u>-</u>	<u>547,916</u>	<u>525,109</u>

Support costs includes payments to the auditors of £7,920 (2022: £7,900) for audit fees and £8,246 (2022: £5,162) for non-audit services.

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. 0 (2022: 3) trustees received honoraria totalling £nil (2022: £1,000) and 3 (2022: 1) trustees were reimbursed £1,344 travelling and accommodation expenses in connection with Trust activities (2022: £744).

7 Employees

There were no employees during the year.

8 Fixed asset investments	2023	2022
	£	£
Market value at 1 April 2022	7,549,720	7,288,448
Disposals at opening market value (Proceeds £858,887)	(913,364)	(790,301)
Acquisitions at cost	587,041	748,524
Change in value in the year	(143,646)	303,049
Market value at 31 March 2023	<u>7,079,751</u>	<u>7,549,720</u>
Historical cost:	<u>4,122,242</u>	<u>4,033,086</u>

A S Hornby Educational Trust CIO

Notes to the Financial Statements (continued) For the year ended 31 March 2023

8 Fixed asset investments (continued)

In accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities, investments have been included at market value.

The following investment holdings represent more than 5% of the value of the portfolio at 31 March 2023

	£
SPDR S&P500 Etf Trust Units Ser 1 S&P	796,860
Ishares Trust Core S&P Mid-Cap Etf	750,677
Findlay Park Plc Fp American Smlr Cos	398,659
Treasury 8.75% Gilt	428,643
	<u>2,374,839</u>

9 Debtors

	2023 £	2022 £
--	-----------	-----------

Accrued income	21,528	24,927
VAT	1,367	31
	<u>22,895</u>	<u>24,958</u>

10 Creditors: amounts falling due within one year

	2023 £	2022 £
--	-----------	-----------

Accruals and other creditors	19,645	19,023
	<u>19,645</u>	<u>19,023</u>

11 Endowment funds

	Balance at 1 April 2022	Investment loss	Expenditure	Transfer between funds	Balance at 31 March 2023
	£	£	£	£	£
Expendable endowment					
Legacies from the founder and his widow	7,823,492	(196,849)	(28,074)	(273,517)	<u>7,325,052</u>

A S Hornby Educational Trust CIO

Notes to the Financial Statements (continued)

For the year ended 31 March 2023

12 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Investments	-	7,079,751	7,079,751
Current assets	-	264,946	264,946
Creditors: amounts falling due within one year	-	(19,645)	(19,645)
	<u>-</u>	<u>7,325,052</u>	<u>7,325,052</u>
	<u>-</u>	<u>7,325,052</u>	<u>7,325,052</u>
	£	£	£
Fund balances at 31 March 2022 are represented by:			
Investments	-	7,549,720	7,549,720
Current assets	-	292,795	292,795
Creditors: amounts falling due within one year	-	(19,023)	(19,023)
	<u>-</u>	<u>7,823,492</u>	<u>7,823,492</u>
	<u>-</u>	<u>7,823,492</u>	<u>7,823,492</u>
	£	£	£

13 Related party transactions

The Trustees consider that there are no related party transactions during the year that require disclosure.

A S Hornby Educational Trust CIO

Notes to the Financial Statements (continued)
For the year ended 31 March 2023

14 Prior year statement of financial activities

	Unrestricted funds £	Endowment funds £	Total 2022 £
Income from charitable activities:			
Royalties	111,968	-	111,968
Income from raising funds:			
Investment income	147,567	-	147,567
Total	259,535	-	259,535
Expenditure on:			
Charitable activities: Grants payable and associated support costs	525,109	-	525,109
Raising funds: Investment management fees	-	26,407	26,407
Total	525,109	26,407	551,516
Net operating deficit	(265,574)	(26,407)	(291,981)
Other recognised gains and losses			
Realised gains/(losses) on investment assets	-	62,456	62,456
Unrealised gains/(losses) on investment assets	-	305,891	305,891
Net income/(expenditure) for the year	(265,574)	341,940	76,366
Transfers between funds	163,635	(163,635)	-
Fund balances at 1 April 2021	101,939	7,645,187	7,747,126
Fund balances at 31 March 2022	-	7,823,492	7,823,492

A S Hornby Educational Trust CIO

Cash Account

For the year ended 31 March 2023

	£	£
Balances at 1 April 2022		
Lloyds TSB Treasurers account	215,763	
Quilter Capital	52,074	
Quilter Income	-	
		267,837
Receipts		
Royalties	143,287	
Dividends received	159,727	
Sale of shares	860,866	
Value added tax repayments	2,003	
		1,165,883
Payments		
Purchase of shares	(587,125)	
Grants	(430,000)	
Value added tax payments	(23,098)	
Administration expenses	(118,998)	
Investment management fees	(32,448)	
		(1,191,669)
		242,051
Balances at 31 March 2023 represented by:		
Lloyds TSB Treasurers account		139,117
Quilter:		
Interest bearing income account	-	
Interest bearing cash and dealing account	102,934	
		242,051