

HAWTHORNE TRUST LIMITED
(A Company Limited by Guarantee)

INCORPORATING

THE VISITING CHRISTIAN SCIENCE NURSE SERVICE, LONDON FIELD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2023

Company Number: 293710
Charity Number: 209230

HAWTHORNE TRUST LIMITED

GENERAL INFORMATION

Charity Registration Number 209230

Company Registration Number 293710

Governing Instrument Articles of Association dated 18th November 2021, as amended.

The principal aim is to provide nursing care based on Christian Science principles.

Directors (Trustees)
Mr B Blandford
Mrs M Chaplin
Mr G H Ekins
Mrs G A Smith
Mr A M Holland

CEO/Administrator Mrs E P Lawal - To 29 August 2023

Registered Office
Charton Manor
Gorse Hill
Farningham
Kent DA4 0JT

Independent Auditors
Myrus Smith
Chartered Accountants
Statutory Auditors
Norman House, 8 Burnell Road, Sutton
London SM1 4BW

Bankers
Lloyds Bank Plc
130 The Broadway
Bexleyheath
Kent DA6 7DP

Investment Managers
Investec Wealth & Investment Ltd
30 Gresham Street
London EC2V 7QN &
Atomos Investments Limited
16 South Park Sevenoaks
Kent TN13 1AN

Solicitor
Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Insurance Brokers
Arthur J. Gallagher Insurance Brokers Limited
Temple Circus House
Temple Way
Bristol
BS1 6HG

TRUSTEES' ANNUAL REPORT

The Board of Directors (Trustees) of Hawthorne Trust Limited (HTL) have the pleasure of presenting their annual report and audited financial statements for the year ended 30th September 2023.

REFERENCE AND ADMINISTRATION DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

Details of the current directors and advisors are shown under General Information.

MISSION AND OBJECTS

Our mission is: "Loving to heal the Christ way."

The objects for which the Company is established are to provide and maintain in England a Christian Science House being a nursing home operated in accordance with the practice and principles of the body known as the Church of Christ, Scientist and to operate a Visiting Christian Science Nurse Service

Up to the 10th of May 2023 the principal activity of the Company continued to be the operation of the Christian Science nursing care home known as Charton Manor registered with the CQC as a 'care home not providing medicines or medical treatment'. We also operated the Visiting Christian Science Nurse Service, London Field (VCSNS) which was registered with the CQC as a Domiciliary Care Agency.

The VCSNS was very busy with Christian Science nursing care cases following the trend of individuals preferring to remain in their own homes whilst being cared for by a Christian Science nurse. Expressions of gratitude from those who had received either of our Christian Science nursing services showed their value. In addition, our Activities Co-ordinator organised in-house church services and other activities for a very small number of residents. We are grateful for the volunteers who helped to make this happen

As from 10th of May 2023, the operation of Christian Science nursing care at Charton Manor and its Christian Science Visiting Nurse Service ceased. Despite the dedicated efforts made by everyone to improve the service provided to our Christian Science Field, insufficient progress had been made and we were not ready to regain accreditation.

Arrangements were made for our remaining three residents to be moved to other care facilities, and, following a review of the financial implications of operating without any regular income, the Board took the decision to close both its Christian Science nursing services. Our staff were told on 4th May that Charton Manor would cease operations as soon as our residents had moved to other facilities.

The Hawthorne Trust is therefore in a transitional phase as it considers the options available for fulfilling the above mission statement. However, the Trust's support, both prayerful and financial, for the ministry of Christian Science Nursing remains undiminished as we plan our forward steps.

Since closing and the sad redundancies that this caused, the Board has focussed on preparing Charton Manor to be shut down securely. A number of the Christian Science nursing staff were in need of refresher training to continue their ministry as Journal Listed Christian Science Nurses and the Hawthorne Trust was happy to support their training financially. This resulted in three of the staff taking up this option. Two of these staff members completed their training and the third decided to return to her home country to re-join her family.

FUTURE STEPS

Following interviews, five staff were retained to maintain the house and grounds and service all office needs at Charton Manor pending a decision on the next steps of the Hawthorne Trust. These steps will be prayer-led and it is our desire to engage the Christian Science community in our South East region to work and pray with us to ascertain the current needs of those wishing to avail themselves of the healing system of Christian Science, and how Hawthorne Trust Limited can best help meet those needs.

In the short term the Board aims to continue to protect its assets and where possible encourage and support the training of Christian Science nurses to be available in the United Kingdom

Following the redundancy process, which was carried out under the guidance of an HR expert from Croner's Face2Face service, two ex-members of staff have raised Employment Claims against HTL and intend to take the Trust to an Employment Tribunal. The Trust has strongly refuted the claims. Given the backlog currently being experienced by the London Tribunals Office it is unlikely that these cases will be heard until late 2024 or even 2025.

TRUSTEES' ANNUAL REPORT - CONTINUED

PUBLIC BENEFIT

The Trustees have had regard to the Charity Commission's guidance on public benefit, and we have abided by the underlying premise that none shall be denied the care they need because they cannot meet the cost. This guidance will underpin the planned activity of the Hawthorne Trust as we move forward

Until 10th May 2023, the Hawthorne Trust Benevolent Fund continued to support the care given to patients who were unable to meet the costs out of their own resources. After that date, however, with no patients or assisted living residents at its Charlton Manor, the public benefit consisted of the training of Christian Science nurses; the provision of nursing supplies to Visiting Christian Science nurses in London and the Southeast; and the loan and transporting of nursing equipment to individuals where there was a need. Our intention is to keep these channels of help open to the Christian Science community, so long as we are able, as and when requests for assistance are made.

FINANCIAL REVIEW

A low level of occupancy continued till the closure with an average 17% CS nursing care and 19% Assisted Living (AL) Patients. We cared for 4 AL patients till March 2023 then 3 AL patients until up to 10th May 2023, two of them were needing CS nursing care.

We are very grateful for donations received from individuals, Christian Science organisations and Christian Science churches. Total donations received were £89,122. Our total Investment Income for the year was £133,783. Total legacies received £532,612.

The Hawthorne Trust Benevolent Fund granted £74,885 financial assistance to its patients. Similarly, £38,563 benevolence was given by VCSNS funds as we have received no Aid Fund support since May 2021 due to loss of our accreditation.

Number of Company Members as of 30/09/23 was 12.

Total amount of redundancy expenditure was £252,260.

RESERVES POLICY

From an accounting standpoint, and in the context of the Company, 'Reserves' means the total value of assets less the total value of liabilities.

Total value of assets comprises:

- 1) Tangible fixed assets (land, buildings, motor vehicles, equipment).
- 2) Investments - investments managed by Investec Wealth & Investment Ltd and Atomos Investments Limited.
- 3) Debtors (mainly amounts owing by patients, and some other receivables).
- 4) Cash at Bank and in hand.

Total value of liabilities comprises:

Creditors (amounts owing to trade creditors, and to HM Revenue and Customs for staff PAYE and National Insurance contributions).

Total Reserves as of September 30, 2023, were £7,077,774 (£7,583,697 in 2022); these may also be considered as funds.

Looking at the separate categories, the value of the tangible fixed assets has decreased to £2,134,614 (2022: £2,155,980). These, primarily the buildings, are considered 'fixed' in the sense that they could not be sold readily to generate cash. With the closure of Charlton Manor, a realisation of these assets is a possibility.

TRUSTEES' ANNUAL REPORT - CONTINUED

RISK AND UNCERTAINTIES

The Board meets annually with, and monitors and communicates with, our investment managers to discuss the performance of our investments which are important to the Trust. As part of this, benchmarks may be reset and the nature of ethical investments is also reviewed. Part of the risk assessment each year is our insurance policy which includes a liability section for Employers and Public as well as Directors and Officer indemnity. We now have additional Property Owner's liability cover as we maintain our building and the land since the closure of Charlton Manor care home.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also the Trustees of Hawthorne Trust Limited for the purposes of charity law) are responsible for preparing the Trustees' Report and endorsing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Directors of the charitable company to prepare, for each financial year, financial statements which give a true and fair view of the Company's state of affairs and of the incoming resources and application of resources, including the income and expenditure. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 report;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

AUDITORS

Myrus Smith, Chartered Accountants were appointed as auditors and a resolution to reappoint them will be put to the Annual General Meeting. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Board



Margaret Chaplin
Director



Guy Ekins
Director

Charlton Manor
Gorse Hill
Farningham
Kent DA4 0JT

17 February 2024

Opinion

We have audited the financial statements of Hawthorne Trust Limited for the year ended 30 September 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement, 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 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 parent charitable company's affairs as at 30 September 2023 and of the charitable company's net movement in funds, including the 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.

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 charitable company 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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 matters 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' Annual Report, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

HAWTHORNE TRUST LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable 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:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

HAWTHORNE TRUST LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Jones FCA
Senior Statutory Auditor

For and on behalf of
Myrus Smith
Chartered Accountants and Statutory Auditors
Norman House, 8 Burnell Road
Sutton, Surrey
SM1 4BW

17 February 2024

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	2	604,714	17,020	621,735	649,622
<i>Charitable activities:</i>					
Contributions received	3	328,432	46,984	375,415	636,198
Investment income	4	110,596	23,187	133,783	126,157
Total Income		<u>1,043,742</u>	<u>87,192</u>	<u>1,130,932</u>	<u>1,411,978</u>
Expenditure on:					
<i>Cost of raising funds:</i>					
Investment management fees	5	26,079	5,988	32,067	33,713
<i>Expenditure on charitable activities:</i>					
Provision of care services	6	1,408,653	220,227	1,628,880	1,443,385
Total expenditure		<u>1,434,731</u>	<u>226,215</u>	<u>1,660,946</u>	<u>1,477,098</u>
Net income/(expenditure) before investment gains		(390,990)	(139,024)	(530,014)	(65,121)
Net gains/(losses) on investments	15	3,969	20,122	24,091	(591,583)
Net Income/(expenditure)	10	<u>(387,021)</u>	<u>(118,901)</u>	<u>(505,923)</u>	<u>(656,704)</u>
Transfers between funds	18	(70,987)	70,987	-	-
Net Movement in Funds		<u>(458,008)</u>	<u>(47,914)</u>	<u>(505,923)</u>	<u>(656,704)</u>
Reconciliation of funds:					
Fund balances at the start of the reporting period	18	6,802,844	780,853	7,583,697	8,240,401
Fund balances at the end of the reporting period	18	<u>6,344,836</u>	<u>732,939</u>	<u>7,077,774</u>	<u>7,583,697</u>

The Charitable Company had no recognised gains or losses other than those disclosed in the Statement of Financial Activities above. All activities are continuing.

The unrestricted funds are general funds of the trust and the restricted funds are made up of: The Benevolent Fund, The Brenda Woodcock Memorial Fund, The Visiting Christian Science Nurse Service Fund and The Gifts to Christian Science Nurses Fund.

The notes form part of these Financial Statements

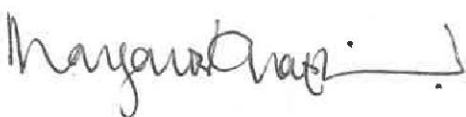
AS AT 30TH SEPTEMBER 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	14		2,134,614		2,155,980
Investments	15		<u>4,188,495</u>		<u>4,956,529</u>
			6,323,109		7,112,509
CURRENT ASSETS					
Debtors	16	108,551		63,584	
Cash at bank and in hand		<u>719,504</u>		<u>472,417</u>	
		828,055		536,001	
CREDITORS: amounts falling due within one year	17	<u>73,390</u>		<u>64,813</u>	
NET CURRENT ASSETS			<u>754,665</u>		<u>471,188</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	19		<u>7,077,774</u>		<u>7,583,697</u>
THE FUNDS OF THE CHARITY					
Unrestricted					
General Funds	18		6,344,836		6,802,844
Restricted					
Hawthorne Trust [Charton Manor] Benevolent Fund	18		-		3,898
Brenda Woodcock Memorial Fund	18		256,992		247,975
Visiting Christian Science Nurse Service	18		474,446		527,480
Gifts to Christian Science Nurses Fund	18		1,500		1,500
TOTAL CHARITY FUNDS			<u>7,077,774</u>		<u>7,583,697</u>

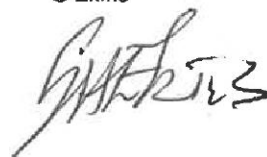
The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board of Directors (Trustees) on 17 February 2024 and signed on its behalf by:

Director (Trustee)
M Chaplin



Director (Trustee)
G Ekins



The notes form part of these Financial Statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

	2023		2022	
	£	£	£	£
Cash flows from operating activities:				
Net movement in funds for the year		(505,923)		(656,704)
Depreciation charges		79,068		76,747
Investment income		(133,783)		(126,157)
Loss on the disposal of fixed assets		-		-
Losses/(Gains) on investments		(24,091)		591,583
(Increase)/decrease in debtors		(44,967)		(3,834)
Increase/(decrease) in creditors		8,577		2,612
Net cash used in operating activities		(621,119)		(115,753)
Cash flows from investing activities:				
Investment income		133,783		126,157
Purchase of tangible fixed assets	(57,702)		(57,530)	
Purchase of fixed asset investments	(1,053,388)		(1,506,328)	
Proceeds from the sale of fixed asset investments	1,802,198		1,528,274	
Cash (deducted from)/added to investment cash	43,314		25,875	
		734,422		(9,709)
Net cash provided by investing activities		868,206		116,448
Increase/(decrease) in cash and cash equivalents in the year		247,087		695
Cash and cash equivalents at the beginning of the year		472,417		471,722
Total cash and cash equivalents at the end of the year		719,504		472,417

The notes form part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards issued by UK accountancy bodies. The particular accounting policies adopted are described below.

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP 2019 (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Hawthorne Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, as modified for the revaluation of investments.

Further to a Uniting Direction issued by the Charity Commission, the financial statements aggregate the results and net assets of the Visiting Christian Science Nurse Service, London Field, Charity Registration number 209230-1.

Significant estimates and judgements include the assessment of the useful lives and residual values of Freehold land and buildings and other fixed assets and the assessment of appropriate rates of depreciation.

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

The company number and registered office of the company is given in the general information.

(b) Charitable company status

The charity is also a private company limited by guarantee and is registered in England and Wales. In the event of the charity being wound up, each member is liable to contribute an amount not exceeding £1.

(c) Preparation of the accounts on the going concern basis

The charity has total funds carried forward of £7,077,774. The trustees are of the view that this is more than sufficient to secure the long term future of the charity and that on this basis the charity is a going concern.

(d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Throughout the year guests were charged for the cost of their stay and asked to contribute what they could afford.

All contributions arise in respect of the charity's continuing activities.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. Receipts of property, investments or other gifts in kind are included at market value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

1. ACCOUNTING POLICIES (cont'd)

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

(f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific future purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work.

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises the costs of managing the investment funds.
- Expenditure on charitable activities includes the costs of providing nursing care, repairs to the care home and other activities undertaken to further the purposes of the charity and their associated support costs.

(h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include admin, finance, personnel, and governance costs which support the Trust's primary activity of providing a nursing facility. Support costs consist of those costs not directly attributable to the activities of the charity but which are necessary to support them.

(i) Tangible fixed assets

Assets with a useful life exceeding one year, costing in excess of £500 are capitalised at cost.

Depreciation is calculated to write off the cost of all tangible fixed assets, other than freehold land, which is not depreciated, in equal annual instalments over their estimated useful lives at the following rates:

	%
Buildings	2
Boilers/plant	5
Furniture, fixtures and fittings	10
Equipment	10
Computer equipment	20
Motor vehicles	20

(j) Operating leases

Operating lease rentals are recognised in the Statement of Financial Activities on a straight line basis over the period of the lease.

(k) Financial instruments

There are no complex instruments and all items are initially valued at cost/transaction value with investments being restated at fair value. Gains and losses on the restatement or disposal of investments are shown in the Statement of Financial Activities.

(l) Pensions

The Charity makes pension contributions into the Hawthorne Trust Group Personal Pension Plan (GPPP), which is a defined contribution pension scheme. The GPPP is with AEGON and managed by Buckland Harvester of 5 The Parsonage, Manchester M3 2HS. The Charity has no liability other than to make the defined contributions as they fall due.

Total contributions for the year are disclosed as other pension costs in Note 7.

NOTES ON FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

2. DONATIONS AND LEGACIES

	2023 £	2022 £
Donations	89,122	103,612
Legacies	532,612	546,010
	<u>621,735</u>	<u>649,622</u>

Of the £649,622 recognised in 2022, £648,979 was unrestricted fund income and £643 was restricted fund income.

3. INCOME FROM CHARITABLE ACTIVITIES

	2023 £	2022 £
Contributions due from guests	340,175	593,251
Amounts due from staff/students	31,219	34,471
Phone recoveries	735	1,032
Other recoveries	3,287	7,444
	<u>375,415</u>	<u>636,198</u>

Of the £636,198 recognised in 2022, £565,532 was unrestricted fund income and £70,666 was restricted fund income.

4. INVESTMENT INCOME

	2023 £	2022 £
From listed securities	132,219	125,624
Bank interest	1,564	533
	<u>133,783</u>	<u>126,157</u>

Of the £126,157 recognised in 2022, £99,826 was unrestricted fund income and £26,331 was restricted fund income.

5. COST OF RAISING FUNDS

	Direct Costs	Support Costs	Total 2023	Total 2022
Investment management fees	<u>£32,067</u>	<u>£Nil</u>	<u>£32,067</u>	<u>£33,713</u>

Of the £33,713 expenditure recognised in 2022, £27,733 was charged to unrestricted funds and £5,980 was charged to restricted funds.

6. COST OF CHARITABLE ACTIVITIES

	Direct Costs	Support Costs	Total 2023	Total 2022
Provision of nursing care	<u>£1,322,378</u>	<u>£306,501</u>	<u>£1,628,880</u>	<u>£1,443,385</u>

Of the £1,443,385 expenditure recognised in 2022, £1,187,586 was charged to unrestricted funds and £255,799 was charged to restricted funds.

NOTES ON FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

7. ANALYSIS OF DIRECT COSTS	Raising funds £	Charitable activities £	Total 2023 £	Total 2022 £
Salaries and wages	-	775,581	775,581	655,963
Social Security costs	-	66,566	66,566	55,122
Other pension costs	-	58,294	58,294	51,344
	-	900,441	900,441	762,429
Investment Managers fees	32,067	-	32,067	33,713
Food supplies	-	33,201	33,201	45,790
Nursing Supplies	-	17,129	17,129	26,480
Contributions to nursing fees	-	113,448	113,448	168,344
House sundries	-	31,284	31,284	44,038
Repairs, maintenance and leasing	-	44,592	44,592	28,612
Service contracts	-	-	-	138
Travel expenses and allowances	-	16,339	16,339	14,069
Other professional fees	-	32,134	32,134	25,573
Trust sundries	-	16,575	16,575	29,057
Compensation payouts	-	40,000	40,000	-
Depreciation	-	77,235	77,235	74,916
	<u>32,067</u>	<u>1,322,378</u>	<u>1,354,445</u>	<u>1,253,159</u>

Of the £1,253,159 recognised in 2022, £1,219,446 was charged to charitable activities and Other Expenditure of £33,713 was charged to raising funds.

8. ANALYSIS OF SUPPORT COSTS	Raising funds £	Charitable activities £	Total 2023 £	Total 2022 £
Salaries and wages	-	175,222	175,222	113,981
Social Security costs	-	17,032	17,032	13,517
Other pension costs	-	16,123	16,123	11,526
	-	208,377	208,377	139,024
Depreciation	-	1,834	1,834	1,831
Governance (Note 9)	-	7,233	7,233	4,869
Electricity and gas	-	32,193	32,193	33,534
Rates and insurance	-	49,903	49,903	36,218
Telephone	-	3,808	3,808	4,149
Printing, postage and stationery	-	3,154	3,154	4,314
	-	<u>306,501</u>	<u>306,501</u>	<u>223,939</u>

All of the £223,939 recognised in 2022 was charged to charitable activities.

9. GOVERNANCE COSTS	2023 £	2022 £
Auditors remuneration	3,960	3,900
Directors' expenses (Note 11)	3,273	969
	<u>7,233</u>	<u>4,869</u>

10. NET INCOME/(EXPENDITURE)	2023 £	2022 £
This is stated after charging:		
Depreciation	79,068	76,747
Auditors remuneration - audit services	3,960	3,900
Pension costs (defined contribution scheme)	<u>74,418</u>	<u>62,870</u>

NOTES ON FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

11. TRUSTEES' REMUNERATION AND EXPENSES

The trustees did not receive any remuneration in the current or prior year. Expenses amounting to £3,273 (2022: £969) were reimbursed to 4 (2022: 4) Trustees in the year for travel.

12. STAFF COSTS

	2023 £	2022 £
Staff costs during the year were as follows:		
Wages and salaries	950,803	769,944
Social security costs	83,598	68,639
Pension costs	74,418	62,870
	<u>1,108,818</u>	<u>901,453</u>

(a) The average number of persons employed by the company during the period was 26; 10 full time and 16 part time (2022: 26; 10 full time and 16 part time).

(b) Salaries and wages includes £10,464 (2022: £45,260) in respect of temporary staff.

(c) Higher paid staff. The number of staff whose total employee benefits (excluding employer's pension costs) exceeded £60,000 was as follows:

	2023	2022
£70,000 - £79,999	-	1
£80,000 - £89,999	2	-

(d) The key management personnel of the charity comprise the board, administrator, Christian Science nursing manager and the VCSNS manager. The total employee benefits of the key management personnel of the trust were £ 277,648 (2022: £210,888).

Under FRS 102, employee benefits include gross salary, benefits in kind, employer's national insurance and employer's pension costs.

13. TAXATION

As the Company has charitable status it is exempt from Corporation Tax on its charitable activities and capital gains, provided that its expenditure is for charitable purposes.

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles furniture and equipment £	Total £
COST			
At 1st October 2022	3,242,582	379,815	3,622,397
Additions	16,104	41,598	57,702
Disposals	-	-	-
At 30th September 2023	<u>3,258,686</u>	<u>421,413</u>	<u>3,680,099</u>
DEPRECIATION			
At 1st October 2022	1,168,236	298,181	1,466,417
Disposals	-	-	-
Charge for the year	57,173	21,895	79,068
At 30th September 2023	<u>1,225,409</u>	<u>320,076</u>	<u>1,545,485</u>
NET BOOK VALUE			
At 30th September 2023	<u>2,033,277</u>	<u>101,337</u>	<u>2,134,614</u>
At 30th September 2022	<u>2,074,346</u>	<u>81,634</u>	<u>2,155,980</u>

NOTES ON FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

15. FIXED ASSET INVESTMENTS			Government and Fixed Interest Securities £	Equities £	Unit Trusts £
	Total £	Cash £			
Market value at 1 October 2022	4,956,529	115,076	830,952	1,155,597	2,854,904
Additions in the year	1,086,883	33,495	585,232	3,217,767	(2,749,611)
Disposal proceeds	(1,879,009)	(76,811)	(653,589)	(1,148,609)	-
Net investment gains/(losses)					
- Realised gains/(losses) on disposals	51,682	-	13,531	38,151	-
- Unrealised gains/(losses)	(27,590)	-	(14,269)	(14,489)	1,168
Market value at 30 September 2023	<u>4,188,495</u>	<u>71,760</u>	<u>761,857</u>	<u>3,248,417</u>	<u>106,461</u>
Cost at 30 September 2023	<u>3,957,412</u>	<u>71,759</u>	<u>802,060</u>	<u>2,963,339</u>	<u>120,254</u>
Cost at 30 September 2022	<u>4,283,199</u>	<u>115,074</u>	<u>983,953</u>	<u>984,569</u>	<u>2,518,445</u>

Government and Fixed Interest Securities, Equities and Unit Trusts Investments are quoted on a UK recognised stock exchange.

Of the £591,583 net realised and unrealised losses on investments recognised in 2022, losses of £511,983 related to unrestricted funds and losses of £79,600 related to restricted funds.

NOTES ON FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

16. DEBTORS					2023 £	2022 £
Trade debtors					77,171	24,207
Other debtors					8,987	2,902
Prepayments and accrued income					22,393	36,475
					<u>108,551</u>	<u>63,584</u>
17. CREDITORS: Amounts falling due within one year					2023 £	2022 £
Taxes and social security					27,550	21,312
Other creditors					11,655	12,470
Trade creditors and accruals					34,185	31,031
					<u>73,390</u>	<u>64,813</u>
18. RESERVES						
	Brought forward £	Income £	Expenditure £	Gains/ (Losses) on Investments £	Transfers £	Carried forward £
<u>2023</u>						
Unrestricted General Fund	<u>6,802,844</u>	<u>1,043,742</u>	<u>(1,434,731)</u>	<u>3,969</u>	<u>(70,987)</u>	<u>6,344,836</u>
Restricted Funds:						
Brenda Woodcock Memorial Fund	247,975	2,599	(1,554)	7,972		256,992
Charton Manor Benevolent Fund	3,898	-	(74,885)	-	70,987	-
VCSNS Fund	527,480	84,592	(149,777)	12,150		474,446
Gifts to Christian Science Nurses Fund	1,500	-	-	-		1,500
	<u>780,853</u>	<u>87,192</u>	<u>(226,215)</u>	<u>20,122</u>	<u>70,987</u>	<u>732,938</u>
	<u>7,583,697</u>	<u>1,130,932</u>	<u>(1,660,946)</u>	<u>24,091</u>	<u>-</u>	<u>7,077,774</u>

The Brenda Woodcock Memorial Fund is a restricted fund for the benefit of assisted living guests at Charton Manor.

The Charton Manor Benevolent Fund has been established as a restricted fund to provide contributions towards guests' costs in the case of need.

The VCSNS Fund provides benefit to those Christian Scientists usually living within 50 miles of central London who are in need of nursing in their own homes.

The Gifts to Christian Science Nurses Fund has been established with a view to providing occasional grants or gifts to Christian Science Nurses.

The trustees have authorised the transfer of £70,987 from unrestricted funds to restricted funds to support additional benevolent contributions made in the year.

NOTES ON FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

18. RESERVES (cont'd)

Comparative information for the movement in reserves in the previous year is as follows:

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) on Investments £	Transfers £	Carried forward £
2022						
Unrestricted General Fund	7,265,809	1,314,337	(1,215,319)	(511,983)	(50,000)	6,802,844
Restricted Funds:						
Brenda Woodcock Memorial Fund	275,119	3,889	(5,554)	(25,479)		247,975
Charton Manor Benevolent Fund	64,588	-	(110,690)	-	50,000	3,898
VCSNS Fund	633,385	93,751	(145,535)	(54,121)		527,480
Gifts to Christian Science Nurses Fund	1,500	-	-	-		1,500
	<u>8,240,401</u>	<u>1,411,977</u>	<u>(1,477,098)</u>	<u>(591,583)</u>	<u>-</u>	<u>7,583,697</u>

19. NET ASSETS BY FUND

	Total £	General £	Brenda Woodcock Memorial Fund £	Charton Manor Benevolent Fund £	VCSNS Fund £	Gifts to Christian Science Nurses Fund £
2023						
Tangible fixed assets	2,134,614	2,134,614	-	-	-	-
Investments	4,188,495	3,434,117	206,127	-	548,251	-
Net current assets	754,665	776,105	50,865	-	(73,806)	1,500
As at 30th September 2022	<u>7,077,774</u>	<u>6,344,836</u>	<u>256,992</u>	<u>-</u>	<u>474,446</u>	<u>1,500</u>

Comparative information for the analysis of net assets by fund in the previous year is as follows:

	Total £	General £	Brenda Woodcock Memorial Fund £	Charton Manor Benevolent Fund £	VCSNS Fund £	Gifts to Christian Science Nurses Fund £
2022						
Tangible fixed assets	2,155,980	2,155,980	-	-	-	-
Investments	4,956,529	4,241,031	195,552	-	519,946	-
Net current assets	471,188	405,833	52,423	3,898	7,534	1,500
As at 30th September 2021	<u>7,583,697</u>	<u>6,802,844</u>	<u>247,975</u>	<u>3,898</u>	<u>527,480</u>	<u>1,500</u>

NOTES ON FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 30TH SEPTEMBER 2023

20. COMPANY STATUS AND MEMBERSHIP

The Company is a private company limited by guarantee and without a share capital registered in England and Wales. The liability of the members is limited and every member of the Company undertakes to contribute up to £1 to the assets of the Company in the event of its being wound up. At 30th September 2023 there were 15 members.

The registered office of the company is at Hawthorne Trust Ltd, Charton Manor, Gorse Hill, Farningham, Kent, DA4 0JT.

21. RELATED PARTIES

Other than the transactions with trustees/directors disclosed in note 11, there were no other transactions with related parties which require disclosure.

22. CONTRACTUAL COMMITMENTS

There were no contractual commitments as at the year end (2022: None).

HAWTHORNE TRUST LIMITED
OPERATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 2023

	Note	Year ended 30 September 2023	Year ended 30 September 2022
INCOME			
Due from guests for nursing services (excl. phones)	1	340,175	593,251
Due from staff and students (excl. phones)		31,219	34,471
Phone recoveries		735	1,032
Other recoveries		3,287	7,444
Amounts considered doubtful		0	0
Total contributions received from continuing operations		375,415	636,198
Donations and gifts - unrestricted		89,122	103,612
Donations and gifts - restricted (Benevolent Fund)		0	0
Donations and gifts - restricted (Brenda Woodcock Memorial Fund)		-	0
Donations and gifts - restricted (Gifts to Christian Science Nurses Fund)		0	-
Legacies		532,612	546,010
Investment income		133,783	126,157
Total income		1,130,932	1,411,977
EXPENDITURE			
<u>Cost of raising funds</u>			
Investment Managers fees		32,067	33,713
<u>Charitable activities</u>			
Contributions towards patients fees by HTL/VSCNS Benevolent Fund	1	113,448	168,344
Salaries, social security costs and pension costs		900,441	762,429
Food supplies		33,201	45,790
Nursing Supplies		15,672	25,681
Laundry		1,458	798
House sundries		31,285	44,039
Repairs, maintenance and leasing		44,592	28,612
Recruitment advertising		570	895
Service contracts		0	138
Travel expenses and allowances		16,339	14,069
Other professional fees		32,134	25,573
Trust sundries		16,005	28,162
Compensation payouts		40,000	
Depreciation		77,235	74,916
Loss on disposal		0	0
Total costs in furtherance of the charity's objects		1,322,378	1,219,446
<u>Support costs</u>			
Salaries, social security costs and pension costs		208,377	139,024
Depreciation		1,834	1,831
<u>Other support costs:</u>			
Electricity and gas		32,193	33,534
Rates and insurance		49,903	36,218
Telephone		3,808	4,149
Printing, postage and stationery		3,154	4,314
Total support costs		299,269	219,070
<u>Governance costs</u>			
Professional fees (auditor's remuneration)		3,960	3,900
Directors expenses		3,273	969
Total management and administrative expenditure		7,233	4,869
Total expenditure		1,660,946	1,477,098
NET (EXPENDITURE)/INCOME		(530,014)	(65,121)
<u>Gains on investments</u>			
Realised gains/(losses) on disposal of investments		51,682	9,542
Unrealised (losses)/gains on investments		(27,590)	(601,125)
NET MOVEMENT IN FUNDS		(£505,923)	(£656,704)
Note 1: Income due from guests for nursing services was funded as follows			
		%	%
Aid Fund for Christian Scientists in Need of Nursing Care	0.0	0	0.0
Hawthorne Trust and other Benevolent Funds	49.5	168,344	28.4
Guests and other private means	50.5	171,831	71.6
	100	340,175	100.0

This page does not form part of the audited financial statements but is based upon the accounting records of the company which have been subject to audit.

