

Registered number: 00589055
Charity number: 307331

**HORRIS HILL FOUNDATION
(FORMERLY KNOWN AS HORRIS HILL PREPARATORY SCHOOL TRUST
LIMITED)**

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

HORRIS HILL FOUNDATION
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021

Trustees

Ms M B Lund (resigned 29 September 2021)
D E Armstrong
Mrs A J Block
R M Curling
S H Dalrymple
I E Fraser
M A Grenier
S L Hayes
Mrs L C Lee (resigned 30 September 2021)
A F J Roe, Chairman
E G Woods

Company registered number

00589055

Charity registered number

307331

Registered office

Horris Hill, Newtown, Newbury, Berkshire, RG20 9DJ

Company secretary

Zedra Trust Company (UK) Limited

Independent auditors

James Cowper Kreston, 2 Communications Road, Greenham Business Park, Greenham, Newbury, Berkshire, RG19 6AB

Bankers

National Westminster Bank Plc, 105 High Street, Winchester, Hampshire, SO23 9AW

Solicitors

Veale Wasborough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

Insurance brokers

Zurich Municipal Insurance plc, Zurich House, 3000 Parkway, Fareham, Hampshire, PO15 7JZ

HORRIS HILL FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Horris Hill Foundation for the year ended 31 August 2021. The Trustees confirm that the Annual report and financial statements of the company comply with the Charities Act 2011, the Companies Act 2006, the requirements of the governing documents and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE INFORMATION

Horris Hill Preparatory School was founded in 1888 and in 1956 became a Charitable Trust (charity registration number 307331 and company registration number 589055) with the liability of its members limited to £1 each by guarantee.

In July 2021, Horris Hill Preparatory School and its assets were sold to Forfar Hampshire Ltd. Post completion of the sale in May 2022, the Charity updated its objects and name to Horris Hill Foundation to reflect its new charitable focus. Details of the Trustees, executive officers, professional advisors and the registered office are listed on page 1.

The Charity is governed by its Memorandum and Articles of Association, last amended in May 2022.

AIMS

The Objects of the Charity, in accordance with its Articles of Association, are to advance education for the public benefit in or near Newtown in Hampshire, in particular but not exclusively by promoting the education of children attending independent schools in the area. The objects were updated in May 2022 to reflect the aims of the charity post the sale of Horris Hill Preparatory School. The Charity will continue to support the educational environment and help to promote academic, moral and physical development of pupils at independent schools in the Newtown area.

OBJECTIVES

The objectives are set to reflect the educational aims and ethos of the Charity, as well as to maintain and enhance academic success; this latter objective is, however, placed in the context of the broader goals set for the Newtown area. In setting objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The key objectives for the Charity are as follows:

- maintain and enhance academic excellence within the Newtown area;
- enhance and improve the co-curricular provision for pupils at independent schools in the Newtown area;
- provide continuing support for pupils already in receipt of fee assistance through bursaries;
- contribute to the life of the local community through community access and service programmes.

STRATEGIC REPORT

Sale of the School

The Charity entered into a sale and purchase agreement for the business of Horris Hill Preparatory School to Forfar Hampshire Ltd (FHL) on 17 June 2021. The business and specific assets were transferred on completion on 9 July 2021.

The Trustees had considered the future position of Horris Hill Preparatory School and had identified that it would be possible to sell the School on favourable terms that would avoid the risk of closure (due to an increasingly challenging market). The sale would secure the ongoing operation and legacy of the School whilst combining the resources of both the School, and those within the Forfar group to become more resilient to adverse demographic and market trends, improve operational efficiency and make the best use of the assets and resources of the School. The sale would also provide a surplus to the charity to be able to continue supporting

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

independent education within the Newtown area.

Total consideration for the transaction was £5,500,000 and included specific key obligations on Forfar:

- To operate the School from the existing site for no less than 3 years;
- To honour any existing scholarships and discounts (including sibling and staff discounts) for no less than 2 years provided that the criteria in relation to the grant of such scholarships is met;

The School's assets including all fixed assets were transferred on sale of the business to Forfar Hampshire Ltd. Fixed investments were retained as well as debts that did not relate to the transferred business or students. As part of the transactions there were a number of existing 3rd party contracts which were retained and continued by Forfar. Any remaining liabilities on contracts that were not transferred have been provided for within the accounts and will be brought to a close in the year to 31 August 2022.

After all of the costs of the transaction have been expensed, a loss on disposal of the School has been recognised within the accounts for £961k.

As part of the transaction, the Charity entered into a non-binding letter of comfort which set out terms for post-sale support that the Charity would provide to Horris Hill Preparatory School / Forfar Hampshire over a five year period.

School Achievements and Performance

Pupil Numbers and Fees

From the beginning of the year and up to the date of sale, between 125 and 128 boys were on the school roll. Fees for the 2020/21 academic year were held in line with 2019/20 with no annual increase. Termly fees for the 20/21 year were as follows:

Full Boarding	£9,550
Weekly Boarding	£9,150
Transition Boarding	£8,300
Day (Years 6 to 8)	£6,800
Day (Years 4 and 5)	£5,800
Day (Year 3)	£4,800
Day (Reception to Year 2)	£3,800

Fees for the Summer term were reduced by 15% of net fees for boarders and 5% of net fees for day pupils as the school was forced to operate in remote mode due to Government restrictions associated with the Covid-19 pandemic.

Academic

Every care is taken in the assessment process to ensure that boys who come to Horris Hill will thrive academically. All the academic subjects examined by the ISEB are taught; Music, Art, PE, DT and ICT are also taught. The boys go on to top independent schools and Horris Hill is proud of the standards achieved by the boys in their final exams. In 2021 from a leaving group of 29 boys the destination schools were: Winchester (6), Radley (5), Harrow (3), Eton (2), Sherborne (2), Oundle (1), Rugby (1), Cheltenham (1), Stowe (1), The Clere (1), Queen Ethelburga's (1), Abingdon (1), Sevenoaks (1), Uppingham (1), Sherfield (1), Haileybury Astana (1).

There were a number of scholarships achieved from the Schools Year 8 boys in the 2020/21 academic year with: sport to Cheltenham, Sherborne and Radley; Music to Harrow and Eton; Academic to Harrow.

Extra-Curricular

A huge variety of activities are available to encourage the boys to broaden their outlook and interests, and on most evenings a specific time is set aside for this. There are facilities and teaching available in, amongst others, chess, board games, journalism, model making, photography and pottery. Boys are also able to have expert

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

coaching in golf, judo, fencing, tennis and drama. In addition, the wonderful grounds and woodland at Horris Hill give scope for cycling, camping and bush craft.

Music and Drama

Music lessons are taught throughout the school, with the majority of pupils receiving two timetabled lessons each week. Drama, since offered, has been enthusiastically taken up. Horris Hill believes experience in the dramatic arts is a key element in the development of a child. The whole school comes together often and 'taking part' is a critical expression of the school ethos. The school has developed a teaching association with The Watermill Theatre and many pupils take LAMDA exams each year. The new David Brownlow Theatre has been fully operational since September 2020 for drama lessons, assemblies and lectures. Covid-19 unfortunately prevented the School from enjoying plays and concerts for the majority of the academic year however the relaxing of Covid-19 restrictions meant that the inaugural production of 'School of Rock' was able to take place.

Sport

Horris Hill has a strong tradition of excellence at sport, notably football, rugby and cricket. Other sports such as hockey, squash, cross country, golf, tennis, athletics, swimming, judo and orienteering also form part of the sporting calendar. Matches are arranged at all levels. All sport is under the direction of a fully qualified and experienced Director of Sport and external coaching in the major sports is provided.

The Environment

Horris Hill Preparatory School has been audited by the Carbon Trust in previous academic years and each year examines the feasibility of energy saving and recycling initiatives. The School hopes that by setting a good example as an institution, the expectations and behaviour of its pupils as future citizens and leaders can be positively influenced.

FUTURE PLANS

Strategy

The Trustees are responsible for setting a strategy for achieving the objectives they have set. During the year and up to the sale of the school, the focus of that strategy was on the development of pupils, their continued high levels of academic and co-curricular achievement and a further widening of access to education.

Post the sale of the school, the strategy is now focused on providing support to independent schools and education in Newtown area via the form of grants, support and cooperation. All future grants will be financed from reserves due to the removal of fee income from the sale of the school.

In taking forward the strategy, the Trustees:

- continue to support and award bursaries to ensure wider access to pupils from all backgrounds;
- enable participation in extra-curricular undertaken for educational purposes;
- improve buildings and other facilities of any educational institution; and
- co-operate and share resources with local schools.

Access

It is important that access to the education on offer is not restricted to those who can afford the fees. The Charity believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences, which helps pupils to develop an understanding of the perspectives of other people that will be vital in their adult lives. The Charity supports independent schools in the Newtown area that contribute to a widening of access to education and the facilities on offer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bursaries

The Trustees are of the view that bursary awards are an essential means of ensuring that children from families who would otherwise not be able to afford the fees can access the education on offer. Bursary awards are available to all who meet the general entry requirements and are made solely on the basis of parental means, or to relieve hardship where a pupil's education and future prospects would otherwise be at risk: for example, in the event of redundancy. The provision of bursaries remains a core objective of the Charity in and around the Newtown area.

FINANCIAL REVIEW

The financial statements show income from charitable activities for the year of £2,742,088 (2020: £2,958,331). School fees represent the principal source of this revenue, accounting for 92% (2020: 90%) of total income.

Costs of operating the school for the Charity fell during the year with support costs of schooling at £641,594 (2020: £819,102) and staff costs at £1,952,280 (2020: £2,155,188).

Income and costs were both impacted by the sale of the school with 2021 only containing a part year (Approx. 10 months) compared to a full year in 2020.

Net assets at the balance sheet date were £1,669,663 (2020: £4,765,250). The movement is driven by two main factors: the sale of the school and the future grant commitments of the charity.

Linked to the sale of the school was the de-registration for VAT as the Charity no longer had the ability to make taxable supplies. The final payment to HMRC is held on the balance sheet and was paid after the balance sheet date.

Financial Health

The Trustees regularly review budgets, forecasts of income and expenditure and other relevant schedules, together with a regular cash flow analysis, as part of the effective administration of the Charity.

Post the sale of the school to Forfar Hampshire Ltd, the Charity was able to repay all of its outstanding loan commitments and it now has sufficient resources to sustain its future grant making plans. Current global events such as the RUS-UKR war and the cost of living crisis in the UK are deemed to have a low impact on the Charity however the Trustees do expect some potential uplift in the value of bursary requests made and given. The Trustees continue to monitor the national and international situation closely.

Reserves Policy

The Trustees consider that, given the strength of the Charity's balance sheet post the sale of the school, it has sufficient cash reserves which can be called upon if the need arises, there is no need to build up a free reserve. The Trustees recognise that the level of reserves fluctuates and arrangements with the Charity's bankers are in place to provide an adequate 'safety net' should it be required.

Investment Policy and Performance

The Charity has limited investments in low risk Charity Funds which provide through dividends a contribution to the provision of bursaries. These are monitored by the Secretary on behalf of the Trustees. The long-term investment target is to preserve the real value of investments against inflation. Current year performance reflected upward market movements during the year due to the recovery post the height of the global Coronavirus pandemic.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising Policy

It is the Charity's policy to be fully compliant with the Code of Fundraising Practice (overseen by The Fundraising Regulator) to ensure that the conduct of the Charity's fundraising activities is legal, open, honest and respectful. During the year and prior to the sale of the School, employees and any person acting on the School's behalf were expected to operate in accordance with the Code. The Trustees are not aware of any failure to comply with the Code.

After the sale of the school and up to the date of signing of the accounts, there have been no specific fundraising activities completed by the Charity. The Trustees have ensured continued accordance with the Code and are not aware of any failure to comply with the Code.

Employees

All employees of the Charity were either transferred to Forfar Hampshire Ltd or were made redundant on completion of the sale. There are no longer any employees within the charity and all administration is now being completed by the Board of Trustees (non-paid roles) and selected professional advisors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees, are responsible for the overall management of the Charity meet three times a year. The Trustees are responsible for all policies which represent the framework within which the Charity is managed. Implementing these policies is the work of the secretary, professional advisors and the Trustees. The Finance and Estates Committee works under the chairmanship of a Trustee appointed at the first Trustees' meeting each calendar year. The secretary acts as Clerk to the Trustees and the Finance and Estates Committee and prepares papers and the management accounts and is concerned with matters arising. All trustees give of their time freely and no remuneration or expenses were paid in the year. No Trustee or person connected with a Trustee received any benefit from either means tested bursaries or scholarships awarded to pupils at local independent schools.

Organisational Management

During the year and up to the sale of the school, the Trustees have determined the strategy of the Charity and the School with its implementation delegated to the Headmaster, supported by senior staff. Post the sale of the school, the ongoing administration of the Charity has been implemented by the Trustees and secretary.

Financial matters are administered and managed by the Trustees and the secretary. The Trustees hold regular board meetings to review the financial position of the Charity. All significant expenditure decisions and capital projects are referred to the Board for review and approval.

Risk Management

The Trustees are responsible for the management of the risks faced by the Charity. Prior to the sale of the school, detailed considerations were delegated to Senior Management however post sale, this now fully resides with the Trustees. Risks are identified and assessed throughout the year, with proper controls being established and regularly reviewed. A formal review of the Charity's risk management processes is undertaken by the Trustees on an annual basis. Risk is managed under the headings of strategic risk, operational risk, financial risk and compliance risk. Given the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Three critical risks have been highlighted that impact the charity: Affordability, Cash Flow and Legislative Change: As a Charity providing support to independent schools in the Newtown area, affordability, particularly within the current economic climate is vital in ensuring that children from families who would otherwise not be able to afford independent school fees are able to access education on offer. The ongoing Coronavirus pandemic, the outbreak of the RUS-UKR war and the subsequent impact on global food and energy markets have heightened the risk of affordability and the Charity is ensuring that the provision of Bursaries continues to

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

meet the demands of the Newtown area. A small charity must pay particular attention to its cash flow to ensure continuing viability. Risks to cash flow are mitigated by careful control and monitoring of expenditure by the secretary, Trustees, auditors and the school's bankers. The sale of the school and its assets during the year has provided the required financial stability that will enable the charity to maintain its objectives into the future. Charities are facing a number of legislative changes and associated with this is the possibility of significant fines and damage to reputation. The Charity's Policy Audit Committee keeps abreast of such legislative changes and monitors the Charity's actions to ensure compliance.

Trustee Recruitment and Training

The Trustees are charity trustees, as well as directors and members of the company, and are appointed at the Annual General Meeting. A Nominations Committee considers and recommends new appointments, taking into account the individual's competence, specialist skills and local availability. Service on the Board is for a term of five years, but retiring Trustees can be re-elected for a second term. The Charity requires breadth and depth of experience in a Trustee to ensure they are able to carry out their duties effectively and efficiently. When seeking new members, arguably the most important attribute sought is recognition of the value of educational experience, which the furtherance of in the Newtown area is the primary focus of the objects.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Horris Hill Foundation for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 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 United Kingdom and Republic of Ireland;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records which 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 company and charity law. 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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charity's auditor in connection with preparing its report and to establish that the Charity's auditor is aware of that information.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

AUDITOR

The auditor, James Cowper Kreston, will be proposed for re appointment in accordance with section 485 of the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:


Alex Roe 24 Jun 2022 15:33:52 BST (UTC +1)

.....
A F J Roe
Chairman
Date: 24 June 2022

HORRIS HILL FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORRIS HILL FOUNDATION

Opinion

We have audited the financial statements of Horris Hill Foundation (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORRIS HILL FOUNDATION (CONTINUED)

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' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORRIS HILL FOUNDATION (CONTINUED)

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mike Farwell

Michael Farwell MA FCA DChA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Communications Road

Greenham Business Park

Greenham

Newbury

Berkshire

RG19 6AB

Date: 29 June 2022

HORRIS HILL FOUNDATION
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total funds 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total funds 2020 £
Income from:									
Donations and legacies	3	64,396	229,754	-	294,150	294,150	-	995,737	995,737
Charitable activities	4	2,742,088	-	-	2,742,088	2,742,088	-	2,958,331	2,958,331
Investments	5	107	7,761	7,868	-	7,868	12,523	-	12,523
Other income	6	456,250	-	-	456,250	456,250	-	880,336	880,336
Total income		3,262,841	237,515	7,868	3,492,488	3,500,356	12,523	4,834,404	4,846,927
Expenditure on:									
Charitable activities	8	5,655,656	7,761	2,309,096	3,354,321	5,663,417	-	3,811,399	3,811,399
Other expenditure	10	960,829	-	-	960,829	960,829	-	-	-
Total expenditure		6,616,485	7,761	2,309,096	4,315,150	6,624,246	-	3,811,399	3,811,399
Net gains/(losses) on investments	16	-	28,303	28,303	-	28,303	(29,307)	-	(29,307)
Net (expenditure)/income		(3,353,644)	258,057	(2,272,925)	(822,662)	(3,095,587)	(16,784)	1,023,005	1,006,221
Transfers between funds	21	2,534,189	(2,534,189)	-	-	-	-	-	-
Net movement in funds		(819,455)	(2,276,132)	(2,272,925)	(822,662)	(3,095,587)	(16,784)	1,023,005	1,006,221

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total funds 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total funds 2020 £
Reconciliation of funds:								
Total funds brought forward	1,997,332	2,767,918	-	4,765,250	4,765,250	-	3,759,029	3,759,029
Net movement in funds	(819,455)	(2,276,132)	(2,272,925)	(822,662)	(3,095,587)	(16,784)	1,023,005	1,006,221
Total funds carried forward	1,177,877	491,786	(2,272,925)	3,942,588	1,669,663	(16,784)	4,782,034	4,765,250

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

The notes on pages 16 to 34 form part of these financial statements.

HORRIS HILL FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 00589055

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	-	6,162,707
Investments	16	200,379	172,076
		<u>200,379</u>	<u>6,334,783</u>
Current assets			
Stocks	17	-	10,412
Debtors	18	63,618	716,487
Cash at bank and in hand		3,936,267	701,796
		<u>3,999,885</u>	<u>1,428,695</u>
Creditors: amounts falling due within one year	19	(1,345,601)	(2,057,348)
Net current assets / (liabilities)		<u>2,654,284</u>	<u>(628,653)</u>
Total assets less current liabilities		<u>2,854,663</u>	<u>5,706,130</u>
Creditors: amounts falling due after more than one year	20	(1,185,000)	(940,880)
Total net assets		<u><u>1,669,663</u></u>	<u><u>4,765,250</u></u>
Charity funds			
Restricted funds	21	491,786	2,767,918
Unrestricted funds	21	1,177,877	1,997,332
Total funds		<u><u>1,669,663</u></u>	<u><u>4,765,250</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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


 Alex Roe 24 Jun 2022 15:33:52 BST (UTC +1)

A F J Roe
 Trustee
 Date: 24 June 2022

The notes on pages 16 to 34 form part of these financial statements.

HORRIS HILL FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	24	(1,293,940)	87,950
Cash flows from investing activities			
Dividends, interests and rents from investments		7,868	12,523
Proceeds from the sale of tangible fixed assets		450,000	880,336
Net proceeds from the sale of school		5,082,518	-
Purchase of tangible fixed assets		(59,146)	(1,869,015)
Net cash provided by/(used in) investing activities		5,481,240	(976,156)
Cash flows from financing activities			
Cash inflows from new borrowing		-	250,000
Repayments of borrowing		(952,829)	(14,217)
Net cash (used in)/provided by financing activities		(952,829)	235,783
Change in cash and cash equivalents in the year		3,234,471	(652,423)
Cash and cash equivalents at the beginning of the year		701,796	1,354,219
Cash and cash equivalents at the end of the year	25	3,936,267	701,796

The notes on pages 16 to 34 form part of these financial statements

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

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

Horris Hill Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2%, 5% and 10% straight line
Tractors	- 25% straight line
Motor vehicles	- 25% straight line
Furniture, fixtures & equipment	- 10% and 25% straight line
Library furniture	- 10% straight line

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

HORRIS HILL FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Interest receivable

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

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties.

1.14 Pensions

The Company operates two defined contribution pension schemes and the pension charge represents the amounts payable by the Company to the funds in respect of the year.

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical accounting estimates and assumptions:

Tangible fixed assets (see note 15)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	4,755	229,754	234,509	845,461
Government grants	59,641	-	59,641	150,276
	<u>64,396</u>	<u>229,754</u>	<u>294,150</u>	<u>995,737</u>
Total 2020	<u>162,552</u>	<u>833,185</u>	<u>995,737</u>	

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Gross school fees billed	2,524,917	2,524,917	2,660,084
Other ancillary income	217,171	217,171	298,247
	<u>2,742,088</u>	<u>2,742,088</u>	<u>2,958,331</u>
Total 2020	<u>2,958,331</u>	<u>2,958,331</u>	

HORRIS HILL FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Other ancillary income

	2021 £	2020 £
Disbursements	91,125	164,222
Registration fees	7,299	12,942
Accommodation income	10,825	12,295
Music department	70,678	84,505
Extra tuition	7,405	11,482
HH Society - Subscriptions	2,934	3,801
HH Society - Events income	17,930	-
Deposit retained	8,975	9,000
	<u>217,171</u>	<u>298,247</u>

5. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	107	7,761	7,868	12,523
	<u>107</u>	<u>7,761</u>	<u>7,868</u>	<u>12,523</u>
Total 2020	<u>2,637</u>	<u>9,886</u>	<u>12,523</u>	

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Property sales	450,000	450,000	880,336
Insurance claim	6,250	6,250	-
	<u>456,250</u>	<u>456,250</u>	<u>880,336</u>
Total 2020	<u>880,336</u>	<u>880,336</u>	

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Grant and funding commitments	2,309,096	2,309,096	-

During the year the Charity sold the business and assets of the Horris Hill Preparatory School to Forfar Hampshire Limited, under an agreement dated 17 June 2021. As part of the transaction, the Trustees provided a comfort letter to Forfar Hampshire Limited stating their intention to continue to support the school by:

1. the grant of monies to contribute towards capital projects, maintenance and improvements at the school;
2. the funding of bursaries, scholarships and other discounts; and
3. providing other financial support to the school at the discretion of the Trustees.

The amounts shown above represent the amount payable under the comfort letter where a reliable estimate can be made by the Trustees at the balance sheet date.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Teaching	1,307,471	-	1,307,471	1,475,139
Welfare	652,679	-	652,679	642,538
Premises	496,158	-	496,158	550,035
Grants, awards & prizes	2,499,920	7,761	2,507,681	221,375
Support costs of schooling	641,594	-	641,594	819,102
Interest	28,729	-	28,729	38,117
Bad debt provision	-	-	-	50,000
Expenditure on governance	29,105	-	29,105	15,093
	5,655,656	7,761	5,663,417	3,811,399
Total 2020	3,801,513	9,886	3,811,399	

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	Total funds 2020 £
Teaching	1,176,506	87,854	43,111	1,307,471	1,475,139
Welfare	470,616	11,704	170,359	652,679	642,538
Premises	64,827	78,948	352,383	496,158	550,035
Grants, awards & prizes	-	-	2,507,681	2,507,681	221,375
Support costs of schooling	240,331	-	401,263	641,594	819,102
Interest	-	-	28,729	28,729	38,117
Bad debt provision	-	-	-	-	50,000
Expenditure on governance	-	-	29,105	29,105	15,093
	1,952,280	178,506	3,532,631	5,663,417	3,811,399
Total 2020	2,155,188	177,240	1,478,971	3,811,399	

9. Support costs of schooling

	2021 £	2020 £
Sundry expenses	6,631	7,807
Office expenses	38,978	35,993
Membership & subscriptions	7,763	7,161
IT costs	129,022	93,835
Advertising	44,344	65,669
Website	868	16,468
Professional fees	48,940	176,404
Travel and vehicle expenses	31,658	36,574
Clothing, excursions and activity programmes	83,530	123,428
HH Foundation & HH Society	8,899	3,448
Conference costs	630	2,600
Wages & salaries	240,331	249,715
	641,594	819,102

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Other expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Loss on disposal of school	960,829	960,829	-

11. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,000	11,220
Fees payable to the Company's auditor in respect of: All non-audit services not included above	5,105	3,759

12. Staff costs

	2021 £	2020 £
Wages and salaries	1,607,038	1,781,643
Social security costs	152,290	159,826
Pension costs	192,952	213,719
	1,952,280	2,155,188

Staff costs include redundancy costs of £76,076 (2020: £nil).

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
Teaching staff	37	40
Others	42	43
	79	83

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teaching staff	25	26
Others	25	26
	<u>50</u>	<u>52</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	-	2

The higher paid employees were accruing pension benefits in both 2021 and 2020. Both employees were under a defined contribution pension scheme into which contributions of £26,438 (2020: £27,882) were made in the period.

The key management personnel of the School comprise Trustees and the Senior Management Team. The total employee benefits of the key management personnel were £201,423 (2020: £213,730).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Transfers between funds

	2021 £	2020 £
Depreciation of the cricket pavilion from restricted funds	1,015	1,218
Depreciation of the electronic scoreboard from restricted funds	2,581	3,097
Funds spent on the cricket pavilion	-	(742)
Funds spent on new lower school & design technology projects	-	15,725
Transfer of theatre restricted fund to general fund	2,530,593	-
	<u>2,534,189</u>	<u>19,298</u>

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 September 2020	7,264,897	69,759	1,062,571	8,397,227
Additions	20,718	-	38,428	59,146
Disposals	(7,285,615)	(69,759)	(1,100,999)	(8,456,373)
At 31 August 2021	-	-	-	-
Depreciation				
At 1 September 2020	1,344,768	68,111	821,641	2,234,520
Charge for the year	127,811	688	50,007	178,506
On disposals	(1,472,579)	(68,799)	(871,648)	(2,413,026)
At 31 August 2021	-	-	-	-
Net book value				
At 31 August 2021	-	-	-	-
At 31 August 2020	5,920,129	1,648	240,930	6,162,707

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Fixed asset investments

	Listed securities £
Cost or valuation	
At 1 September 2020	172,076
Revaluations	28,303
At 31 August 2021	<u>200,379</u>

Material investments

	2021 £	2020 £
BlackRock Investments	53,322	54,676
M&G Charifund	144,006	114,154
	<u>197,328</u>	<u>168,830</u>

17. Stocks

	2021 £	2020 £
Consumables	-	10,412
	<u>-</u>	<u>10,412</u>

18. Debtors

	2021 £	2020 £
Trade debtors	60,082	546,205
Other debtors	3,536	5,289
Prepayments and accrued income	-	164,993
	<u>63,618</u>	<u>716,487</u>

HORRIS HILL FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	-	38,876
Trade creditors	24,748	63,577
Other taxation and social security	93,594	36,603
Fees in advance	-	1,247,499
Other creditors	114,871	327,483
Accruals and deferred income	45,388	343,310
Grants	1,067,000	-
	<u>1,345,601</u>	<u>2,057,348</u>
	2021 £	2020 £
Deferred income at 1 September 2020	1,330,235	1,290,856
Resources deferred during the year	-	1,234,388
Amounts released from previous periods	(1,330,235)	(1,195,009)
	<u>-</u>	<u>1,330,235</u>

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	-	913,953
Fees in advance	-	26,927
Grants	1,185,000	-
	<u>1,185,000</u>	<u>940,880</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	-	69,135
	<u>-</u>	<u>69,135</u>
Between two and five years		
Bank loans	-	633,613
	<u>-</u>	<u>633,613</u>
Over five years		
Bank loans	-	211,205
	<u>-</u>	<u>211,205</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Payable or repayable by instalments	-	225,952
	<u>-</u>	<u>225,952</u>

Interest was charged on the business term loans, as follows:

20 year loan with expiry July 2035 - 1.94% over National Westminster Bank plc's base rate.
5 year loan with expiry November 2023 - 2.25% over National Westminster Bank plc's base rate.
5 year loan with expiry September 2024 - 2.25% over National Westminster Bank plc's base rate.

All of the bank loans were secured on specific properties owned by the School and included within fixed assets.

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
Designated property	887,581	-	-	(887,581)	-	-
General funds						
General fund	1,109,751	3,262,841	(6,616,485)	3,421,770	-	1,177,877
Total Unrestricted funds	1,997,332	3,262,841	(6,616,485)	2,534,189	-	1,177,877
Restricted funds						
Bursary	194,169	32,533	(7,761)	-	28,303	247,244
Presentation	60,548	8,300	-	(3,596)	-	65,252
Development	133,608	45,682	-	-	-	179,290
Theatre	2,379,593	151,000	-	(2,530,593)	-	-
	2,767,918	237,515	(7,761)	(2,534,189)	28,303	491,786
Total of funds	4,765,250	3,500,356	(6,624,246)	-	28,303	1,669,663

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Designated property	922,751	-	(50,895)	15,725	-	887,581
General funds						
General fund	852,940	4,003,856	(3,750,618)	3,573	-	1,109,751
Total Unrestricted funds	1,775,691	4,003,856	(3,801,513)	19,298	-	1,997,332
Restricted funds						
Bursary	201,383	31,979	(9,886)	-	(29,307)	194,169
Presentation	60,791	3,330	-	(3,573)	-	60,548
Development	91,328	58,005	-	(15,725)	-	133,608
Theatre	1,629,836	749,757	-	-	-	2,379,593
	1,983,338	843,071	(9,886)	(19,298)	(29,307)	2,767,918
Total of funds	3,759,029	4,846,927	(3,811,399)	-	(29,307)	4,765,250

HORRIS HILL FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Statement of funds (continued)

These funds have been established for the following purposes:

Designated Property

Represented property developments completed in current and previous years, less related depreciation.

Bursary

To provide bursaries to pupils. This is funded by donations and income from investments.

Presentation

To assist with the education and welfare of pupils. This is funded by donations from boys leaving the school. The transfers comprise depreciation charged on assets purchased with the funds.

Development

To assist with the future development of the School. This is funded by donations from parents.

Theatre

To assist with the development of a new theatre. This was funded by restricted donations.

22. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	887,581	-	-	(887,581)	-	-
General funds	1,109,751	3,262,841	(6,616,485)	3,421,770	-	1,177,877
Restricted funds	2,767,918	237,515	(7,761)	(2,534,189)	28,303	491,786
	<u>4,765,250</u>	<u>3,500,356</u>	<u>(6,624,246)</u>	<u>-</u>	<u>28,303</u>	<u>1,669,663</u>

Summary of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds	922,751	-	(50,895)	15,725	-	887,581
General funds	852,940	4,003,856	(3,750,618)	3,573	-	1,109,751
Restricted funds	1,983,338	843,071	(9,886)	(19,298)	(29,307)	2,767,918
	<u>3,759,029</u>	<u>4,846,927</u>	<u>(3,811,399)</u>	<u>-</u>	<u>(29,307)</u>	<u>4,765,250</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Fixed asset investments	-	200,379	200,379
Current assets	3,708,478	291,407	3,999,885
Creditors due within one year	(1,345,601)	-	(1,345,601)
Creditors due in more than one year	(1,185,000)	-	(1,185,000)
Total	1,177,877	491,786	1,669,663

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,452,119	2,710,588	6,162,707
Fixed asset investments	-	172,076	172,076
Current assets	1,298,860	129,835	1,428,695
Creditors due within one year	(1,812,767)	(244,581)	(2,057,348)
Creditors due in more than one year	(940,880)	-	(940,880)
Total	1,997,332	2,767,918	4,765,250

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(3,095,587)	1,006,221
Adjustments for:		
Depreciation charges	178,506	177,240
Loss on sale of school	960,829	-
(Gain)/loss on investments	(28,303)	29,307
Dividends, interests and rents from investments	(7,868)	(12,523)
Profit on the sale of property	(450,000)	(880,336)
Decrease in stocks	10,412	-
Decrease/(increase) in debtors	652,869	(134,628)
Increase/(decrease) in creditors	485,202	(97,331)
Net cash provided by/(used in) operating activities	(1,293,940)	87,950

25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	3,936,267	701,796
Total cash and cash equivalents	3,936,267	701,796

26. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	701,796	3,234,471	3,936,267
Debt due within 1 year	(38,876)	38,876	-
Debt due after 1 year	(913,953)	913,953	-
	(251,033)	4,187,300	3,936,267

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Contingent liabilities

As disclosed in note 7, the Trustees provided a comfort letter to Forfar Hampshire Limited stating their intention to provide other financial support to the school at the discretion of the Trustees.

No amounts have been included in the financial statements in respect of such support as no reliable estimate can be made of the amounts payable at the balance sheet date.

28. Pension commitments

The School operated two defined contribution pension schemes.

The assets of the schemes are held separately from those of the School in independently administered funds. The pension cost charge represents contributions payable by the School to the funds and amounts of £3,603 (2020: £27,154) were payable to the funds at the balance sheet date and are included in creditors.

29. Operating lease commitments

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	64,374
Later than 1 year and not later than 5 years	-	126,802
	<u>-</u>	<u>191,176</u>

30. Related party transactions

Two (2020: two) Trustees had children who attended the School. All transactions are carried out at arms length.

During the year Trustees provided donations totalling £nil (2020: £111,940).

31. Controlling party

Horris Hill Foundation is controlled by its Board of Trustees. Accordingly, there is no single individual that can, or does, exert control over the charity.