

Charity number: 307935
Company registered number: 00852510

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2020

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HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	Mr D. R. Walker, Chairman Mrs W. M. Carey (resigned 25 June 2020) Mrs L. Alexander Mr D. Eaton Mr W. Faure-Walker Ms M. Gammon (appointed 25 June 2020) Mrs G. Harrison Mrs V. C. Larmour Mr F. McHattie (resigned 25 June 2020) Mrs E. C. Pocock Mrs S. Robertson Mr C. J. C. Swainson Dr B. M. Waugh (resigned 28 November 2019)
Company registered number	00852510
Charity registered number	307935
Registered office	38 Dry Hill Park Road Tonbridge Kent TN10 3BU
Independent auditors	Lindeyer Francis Ferguson Limited Chartered Accountants Statutory Auditors North House, 198 High Street Tonbridge Kent TN9 1BE
Bankers	National Westminster Bank 130 High Street Tonbridge Kent TN9 1DE
Solicitors	Warners Solicitors Bank House Bank Street Tonbridge Kent TN9 1BL
Headmistress	Mrs K. Joiner NNEB B.Ed (Hons) QTS M.Ed

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their report together with the audited financial statements of the School for the year from 1 September 2019 to 31 August 2020. The Trustees confirm that the Trustees' Report and financial statements of the School comply with the current statutory requirements, the requirements of the School's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

Since the School qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The reference and administrative details on page 1 form part of this report.

Constitution

The School is a charitable company limited by guarantee and was set up by a Memorandum of Association on 10 June 1965 as amended by Special Resolutions dated 29 July 1965, 3 June 2015 and 25 June 2020.

The primary object of the Trust, as stated in its Articles of Association, is 'To advance education through the management and operation of Hilden Oaks Preparatory School and Nursery in Dry Hill Park Road, Tonbridge'.

Our Aims

- to prepare children for secondary education (in both state and independent schools) by providing a stimulating and caring learning environment built on a firm foundation of Values - based Education
- to create a friendly family atmosphere where every child can be safe and happy, developing good manners and respect for others
- to treat every child as an individual and motivate them to reach their full potential, gaining confidence and maturity as they progress
- to employ outstanding teachers who can inspire a lifelong love of learning and promote the highest academic standards
- to involve parents closely in the education of their children and include them in the life of the school
- to provide a benefit to the public in accordance with our charitable status.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Our Objectives

Our objectives are set annually to reflect the educational aims and ethos of the school.

In setting the objectives, the Trustees have considered the Charity Commission's general guidance on public benefit and its supplementary guidance on advancing education and fee charging.

Our key objectives for the year 2019-20 were:

- To continue to support and resource the development program towards a successful conclusion
- To continue to support and implement the public benefit strategy
- To consult with staff and resolve the issue of TPS unaffordability
- To support the SLT in introducing BLP (Building Learning Power) throughout the curriculum

Our Achievements and Performance

This most notable achievement during this year was the successful transition to remote learning during the Covid pandemic and the subsequent partial, then full reopening of the school and nursery in September. The lockdown started in the final week of the Easter term and the staff rapidly revised their learning resources to enable pupils to continue their education at home. The quality of teaching and learning remained high through the summer term and both parents and pupils were supported in learning from home. We received significant praise from the parental community about this support and in our on-going delivery of the curriculum more generally. Additional IT resources were deployed, and Microsoft Teams is now being integrated into the daily running of the school.

During the year, the School adopted the Building Learning Power (BLP) framework of learning capacities, which promotes resilience, resourcefulness, reciprocity and reflection. Teachers and support staff have received relevant training, BLP activities are planned within the curriculum and BLP language and behaviours promoted and rewarded. Early evidence of its success was demonstrated by pupil resilience, independence and study skills during the lockdown.

Our Form 6 pupils moved on to a wide range of secondary schools, which included Beechwood Sacred Heart, Bennett Memorial, Hillview, Kent College, Maidstone Grammar, Radnor House, Sackville, Sevenoaks School, St Gregory's, The Judd School, Tonbridge Grammar, Tonbridge School, Tunbridge Wells Girls' Grammar, Tunbridge Wells Boys' Grammar and Weald of Kent Grammar. Two pupils were awarded academic scholarships.

External sporting fixtures and events were limited due to the pandemic restrictions. However, virtual challenges against schools within our 'District' and our Virtual Sports Day provided great entertainment. The sailing team began training with Sevenoaks School at Bough Beech and badminton, dance and fencing clubs were introduced to the curriculum. Two pupils were awarded Sports Scholarships to their respective Senior Schools.

Every class, from Reception to Form 6, gave music concerts to parents and informal pupil performances took place in Assemblies which were held virtually during lockdown. The Form 5&6 play, "Treachery at Traitors' Quay", with its topically relevant message of 'Keep Calm and Carry On' was recorded and released to parents and families.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Part of the school garden was converted into a forest school and outdoor learning space, refurbished largely by volunteer parents and staff, funded and co-ordinated by FOHOS. The school was awarded a Green Tree School Gold Award by the Woodland Trust. We succeeded in gaining planning consent for our main development plans which include extensions to the Salmon and Forster buildings and many new resources. Detailed plans are being drawn up and construction should start next year.

Financial Review

The Trustees believe that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the financial statements.

The School's principal source of income is fees, which are set at a level to recover operating costs and to provide for investment to support the operations of the school. The Trustees intend to maintain this policy, which ensures the financial viability of the school and is consistent with our aim of providing a first class, well-rounded education.

The financial statements for the year ended 31st August 2020 report a net loss of £144,404 (2019: net surplus of £60,414). This loss included providing parents with a fee discount during the summer term to reflect their loss of amenity due to the lockdown. We expect the school to return to a modest surplus next year.

The Trust does not invest in any assets, or use its incoming resources, for any activities not directly related to or used by the school. The total net assets of the Trust amounted to £4,044,221 (2019: £4,188,625) including freehold property carried at a value of £2,405,035 (2019: £2,432,254).

Following the 43% rise in employers contributions to the Teachers' Pension Scheme, the Trustees recommended that the School should withdraw from the scheme. A comprehensive staff consultation was successfully conducted and the recommendation to leave TPS implemented at the end of the year. All teaching staff will transfer to the Aviva Pension Trust for Independent Schools (APTIS) from 1st September 2020.

The total free reserves of the Trust, being general funds less the net book value of fixed assets, amount to £1,393,086 (2019: £1,583,759). This level of reserves is within the range considered prudent by the Trust bearing in mind future development plans. Reserves are held in readily accessible deposits with recognised institutions. The Trust continues to have no borrowing requirements.

The Finance Committee monitors the financial position of the Trust and the process of controls operated by the Bursar. The Trustees consider that the financial stability of the school is paramount to achieving its longer-term objectives and the present position continues to fulfil this requirement.

Access, Diversity and Public Benefit

We encourage applications from pupils with as diverse a range of backgrounds as possible. This enriches our community and is vital in preparing our pupils for today's world. Bursaries are available to provide financial support to boys and girls who show academic promise but who would otherwise be unable to benefit from a Hilden Oaks education.

The Trust is an equal opportunity organisation and Trustees are committed to creating a working environment that is free from discrimination on the grounds of social background, culture, race, gender or physical ability.

The Trust recognises the difficulties faced by pupils with disabilities. We make reasonable adjustments to meet the needs of staff or pupils who are or become disabled. Specialist learning support is available and offers children one-to-one structured help if needed.

The School plans, over time, to increase the accessibility of provision for all pupils, staff and visitors to the School. In accordance with the Equality Act 2010, the School's three-year accessibility plan details our strategy for accessibility for disabled pupils.

Public Benefit

It is a central aim of the School that Hilden Oaks 'provides a benefit to the general public in accordance with our charitable status.' An annual report is made to the full Trust detailing the activities undertaken throughout the year. The School takes special note of the guidance from the Charity Commission, which emphasises the benefit in 'sharing facilities, expertise and perspectives with colleagues from local (state) schools'.

Despite restrictions on external events during the year, the School continued to develop its links with Leigh Primary School where two members of Hilden Oaks staff are on the governing body and we continue to explore opportunities for further co-operation between our two schools. Prior to both schools closing due to Covid-19 colleagues from both schools were collaborating on plans for a joint musical production. This work advances our broader educational aims and we believe that the exchange of ideas is mutually beneficial.

Unfortunately, many of our normal activities and our ability to share our facilities were curtailed during the year by the requirement to close the school in March due to Covid-19. Nevertheless, other activities undertaken by the school to complement the financial support it provides to selected pupils included:

- the Headmistress continues to offer support as an accredited VbE consultant to schools who are considering adopting VbE or seeking to achieve the Quality Mark Award.
- the IT Manager and Bursar visited and shared their expertise with another primary state school in the area (Offham County Primary)
- staff who volunteer in other capacities are released from their duties to fulfil their obligations
- holiday club provision and Saturday Academy for pupils and children in the community (prior to the Covid-19 school closure)
- developing links with a local residential care home to provide cards and letters during the Covid-19 lockdown period.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Financial bursaries and scholarships

During the year, the Trust supported 16 pupils (last year: 6) with financial assistance either in the form of means tested bursary awards or financial hardship assistance. Bursary awards are available to all who meet our 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 case of job redundancy. In addition, the School awards sports and music scholarships based on individual merit and potential.

The amount allocated during the year to our bursaries and assistance programme, together with other financial support was £91,906 (2019: £70,019). This represents 4.6% (2019: 3.3%) of the school's income.

Our Plans for the Future

Our current five-year strategic plan (2018-2023) will guide the further development of the school.

This plan includes a significant physical expansion of the estate to reduce the pressure on space. Planning permission has been granted for two extensions to the school buildings which will provide dedicated science and music facilities, a new kitchen and free up other space for one-on-one teaching and lesson preparation.

The plan also focuses on continuous improvement of teaching and learning for the benefit of all pupils. The curriculum will continue to evolve to ensure that it is broad, balanced and inspiring and gives children the opportunity to achieve their full potential. This will include further strengthening the pupils' ability to understand, direct and enhance their own learning power. IT resources will be upgraded to ensure that high quality education can be maintained in the event of further lockdowns.

To enhance our public benefit, we will continue to work with our associated local state school, Leigh Primary, to develop the programme of mutual support activities for pupils and staff in both schools. We will also maintain bursary funding to ensure that we continue to provide a Hilden Oaks education to as many children as possible.

Governance and Management

Trustees are elected at a full Trust meeting and are appointed for an unspecified period. Procedures are in place to identify and recruit suitable individuals to provide strength and balance to the Trust.

The chairman oversees the selection of new Trustees who receive a full induction and are encouraged to attend external training courses and seminars to help them fulfil their role.

Trustees give their time freely and no remuneration is payable but expenses incurred may be reimbursed.

Organisation structure and decision making

The Trustees determine general policy and provide overall management and control of the Trust.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees meet at least three times a year with the headmistress, deputy head and bursar attending the meetings. The Trust has three formal committees: Education; Finance and Premises; and Staffing and Remuneration. These committees, each chaired by a Trustee, meet once a term, and report to the full Trust. The Trustees are involved in all aspects of the school's activities, receive presentations from staff and discuss current educational issues.

The Headmistress undertakes the key leadership role overseeing educational, pastoral and administrative functions. The day-to-day management of the school is delegated to the Headmistress and the Senior Leadership Team (SLT).

Risk Management and Policies

The Trustees assess the major risks to which the school is exposed on an annual basis. The risks are identified and assessed, and controls established. The assessment comprises a review of the external operating environment as well as specific areas including governance, management, human resources, health and safety, technology, curriculum, child protection and finance. The reviews enable the Trust to establish systems and procedures to mitigate risks and the Trustees are satisfied that such systems continue to operate satisfactorily.

Designated Trustees are appointed to take the lead in key areas; currently these are Safeguarding & Child Protection; Health & Safety; Special Educational Needs (SEN); Spiritual, Moral, Social & Cultural Education (SMSC), Mental Health & Wellbeing; and Early Years.

The principal risks and uncertainties facing the school currently (identified by those flagged by the trust as 'red' on its risk register) are those relating to the School's response to the ongoing Covid-19 pandemic. The risks posed by the pandemic are recognised by the trust as potentially affecting all areas of the School's operation, including teaching and learning, health and safety, staffing levels, school finance, capability of IT resources, parental communication and morale, and school marketing and promotion (and therefore pupil recruitment).

Monitoring of these risks is undertaken by Trustee oversight through regular sub-committee and Trust meetings and operationally managed by the SLT on a daily basis. The School has undertaken Covid-19-specific risk assessments for health and safety, safeguarding and behaviour management, as required by government guidance. Mitigation has been implemented in response to the risk assessments, including adaptations to curriculum delivery, financial budgeting, IT enhancements, the physical and built environment of the School (and how this is accessed by staff, pupils and visitors), human resource management (including provision to work flexibly and self-isolate) and the introduction of virtual tours for prospective parents. The trustees are confident that the school would be able to continue providing a first-class education in any future period of partial or total lockdown.

The Trust has policies, as required by law and best practice, to ensure good management of the school and to provide guidance for staff, parents, pupils and Trustees. These policies are reviewed on a regular basis to ensure they are compliant with current legislation and fit for purpose. Many of the key policies can be found on the school's website.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees' responsibilities statement

The Trustees (who are also directors of The Hilden Oaks School Educational Trust Limited for the purposes of company law) are responsible for preparing the Trustees' annual 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 the Charities SORP
- 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 charitable company will continue in operation.


The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 26 November 2020 and signed on their behalf by:


Mr D. R. Walker
Chairman


Mr W. Faure-Walker
Chair of the Finance Committee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILDEN OAK SCHOOL EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Hilden Oaks School Educational Trust Limited (the 'School') for the year ended 31 August 2020 comprising the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related Notes. 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILDEN OAK SCHOOL EDUCATIONAL TRUST LIMITED

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' Report for which the financial statements are prepared is consistent with the financial statements.

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.

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, 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; 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' Report and from the requirement to prepare a Strategic Report.

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.

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILDEN OAK SCHOOL EDUCATIONAL TRUST LIMITED

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.

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.



Amy Healey FCA CTA DChA (Senior statutory auditor)

for and on behalf of

Lindeyer Francis Ferguson Limited
North House, 198 High Street
Tonbridge
Kent TN9 1BE

Date: 14/12/20

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

		2020	2019
		Total	Total
	Note	funds	funds
		£	£
Income from:			
Grants and donations		33,302	50
Charitable activities	3	1,786,353	1,995,213
Bank interest		6,392	8,408
		<hr/>	<hr/>
Total		1,826,047	2,003,671
		<hr/>	<hr/>
Expenditure on:			
Charitable activities	4	1,970,451	1,943,257
		<hr/>	<hr/>
Total		1,970,451	1,943,257
		<hr/>	<hr/>
Net (expenditure)/income and net movement in funds		(144,404)	60,414
		<hr/>	<hr/>
Reconciliation of funds:			
Total funds brought forward		4,188,625	4,128,211
		<hr/>	<hr/>
Total funds carried forward		4,044,221	4,188,625
		<hr/>	<hr/>

There were no restricted funds in the current nor preceding period.


HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED


BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	7		2,651,135		2,604,866
Current assets					
Stocks		2,374		206	
Debtors	8	418,104		475,777	
Cash at bank and in hand		1,808,621		1,932,543	
		<u>2,229,099</u>		<u>2,408,526</u>	
Creditors: amounts falling due within one year	9	<u>(759,363)</u>		<u>(733,517)</u>	
Net current assets			1,469,736		1,675,009
Total assets less current liabilities			<u>4,120,871</u>		<u>4,279,875</u>
Creditors: amounts falling due after more than one year	10		<u>(76,650)</u>		<u>(91,250)</u>
Total net assets			<u><u>4,044,221</u></u>		<u><u>4,188,625</u></u>
The funds of the charity:					
Unrestricted funds			<u>4,044,221</u>		<u>4,188,625</u>
			<u><u>4,044,221</u></u>		<u><u>4,188,625</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 November 2020 and are signed on its behalf by:


Mr D. R. Walker
Chair


Mr W. Faure-Walker
Chair of the Finance Committee

Company number: 00852510

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED
TRADING AS MAKING MUSIC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash (used in) / provided by operating activities	A	(7,854)	95,128
Cash flows from investing activities:			
Bank interest received		6,392	8,408
Purchase of tangible fixed assets		(122,460)	(55,115)
Net cash used in investing activities		(116,068)	(46,707)
Change in cash and cash equivalents in the year		(123,922)	48,421
Cash and cash equivalents at the beginning of the year		1,932,543	1,884,122
Cash and cash equivalents at the end of the year		1,808,621	1,932,543
Analysis of cash and cash equivalents:			
Cash at bank		1,808,621	1,933,272
Overdraft facility repayable on demand		-	(729)
		1,808,621	1,932,543
A. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
Net (expenditure)/income and net movement in funds for the year		(144,404)	60,414
Depreciation charges		76,191	71,478
Loss on disposal		-	22,140
Bank interest		(6,392)	(8,408)
Increase in stocks		(2,168)	(206)
Decrease/(increase) in debtors		57,673	(18,255)
Increase/(decrease) in creditors		11,246	(32,035)
Net cash (used in) / provided by operating activities		(7,854)	95,128

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES

Accounting convention

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 (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The School 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 note(s).

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. School fees are therefore recognised in the term to which they relate. School fees receivable are shown net of bursaries.

Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.

The School has one charitable activity (the provision of educational services) to which direct and support costs are allocated. Staff costs are allocated between direct and support costs on the basis of the staff members' job roles.

Support costs are those functions that assist the work of the charity but do not directly relate to the charitable activities, and include governance costs.

Governance costs include all those associated with constitutional and statutory requirements including the preparation, and external audit, of the statutory accounts, and legal and professional fees.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES continued

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Freehold land	Not depreciated
Freehold buildings	50 years on the straight line basis
Motor vehicles	4 years on the straight line basis
Fixtures and fittings	Rates up to 10 years on the straight line basis
Computers and website	Between 3 and 5 years on the straight line basis

Assets costing less than £1,000 are not capitalised but are recognised as expenditure in the Statement of Financial Activities in the year incurred.

Financial instruments

The School only has financial instruments of a kind that qualify as basic financial instruments. Short term basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Other financial instruments are measured initially at the transaction value and subsequently at amortised cost using the effective interest method.

The charity has treated non-interest bearing parental deposits as concessionary loans based on the substance of the transactions. The charity has opted to value the deposits at transaction value less repayments made.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period to which the entitlement relates.

Teachers belong to the Teachers' Pension Scheme (TPS) which is a defined benefit scheme that is externally funded. Contributions are charged to the income and expenditure account as they are incurred.

The School operates a defined contribution scheme for other staff and contributions are charged to the income and expenditure account as they are incurred.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2 STATUS

Hilden Oaks School Educational Trust Limited ('the School') is a company limited by guarantee and registered charity incorporated in England and Wales. The members of the School are the Trustees. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

The address of the School's registered office and its place of business is 38 Dry Hill Park Road, Tonbridge, Kent, TN10 3BU.

3 INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	Total	Total
	£	£
School fees receivable	1,989,461	2,053,623
Other school income	12,667	11,609
Bursaries, scholarships and Covid-19 fee reductions	(215,775)	(70,019)
	<u>1,786,353</u>	<u>1,995,213</u>

4 EXPENDITURE ON CHARITABLE ACTIVITIES

	2020	2019
	Total	Total
	£	£
Staff costs	1,284,600	1,177,083
Food and housekeeping	117,987	144,120
IT expenses	44,158	38,207
Repairs and maintenance	40,500	31,019
Stationery, books and materials	30,426	27,409
Utilities	22,654	27,786
Other direct costs	14,173	8,807
Facilities hire	8,623	11,193
Minibus expenses	8,216	9,134
Teacher training	6,362	13,743
Bad and doubtful debts	1,724	(1,647)
Support costs allocated	391,028	456,403
	<u>1,970,451</u>	<u>1,943,257</u>

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

4 EXPENDITURE ON CHARITABLE ACTIVITIES continued

	2020	2019
	Total	Total
	£	£
Support costs comprise:		
Staff costs	182,027	180,781
Insurance	20,602	17,734
Health and safety	11,820	11,205
Printing, post and stationery	9,052	8,054
Other staff costs	8,751	14,002
Marketing	7,106	13,848
Rates	6,561	6,346
Subscriptions and membership fees	5,792	6,507
Telephone and communication	3,121	2,716
Bank charges	1,326	1,490
Other costs	705	733
Depreciation	76,191	71,478
Loss on disposal of fixed assets	-	22,140
Governance costs:		
Auditors' remuneration	9,180	12,038
Auditors' non-audit fees	780	1,170
Legal and professional fees	48,014	86,161
	<u>391,028</u>	<u>456,403</u>

5 NET (EXPENDITURE)/INCOME AND NET MOVEMENT IN FUNDS

	2020	2019
	£	£
Net (expenditure)/income and net movement in funds is stated after charging/(crediting):		
Depreciation	76,191	71,478
Loss on disposal of fixed assets	-	22,140
Auditors' remuneration for audit services	9,180	12,038
Auditors' remuneration for non-audit services	780	1,170
Operating lease rentals	<u>4,392</u>	<u>7,223</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6 STAFF COSTS

	2020	2019
	£	£
Gross salaries	1,183,884	1,140,685
Employer's pension contributions	167,365	116,394
Employer's National Insurance contributions	105,039	97,444
Supply and freelance	10,339	3,341
	<u>1,466,627</u>	<u>1,357,864</u>

There were 2 (2019: 2) employees with employment benefits (excluding employer pension contributions) of between £70,001 and £80,000 in the period.

The average number of employees on a headcount basis was:

	2020	2019
Teaching staff	44	46
Domestic staff	3	3
Administrative staff	6	7
	<u>53</u>	<u>56</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7 TANGIBLE FIXED ASSETS

	<i>Freehold property</i> £	<i>Motor vehicles</i> £	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost					
At 1 September 2019	2,568,354	17,919	173,652	118,677	2,878,602
Additions	-	-	72,548	49,912	122,460
At 31 August 2020	2,568,354	17,919	246,200	168,589	3,001,062
Depreciation					
At 1 September 2019	136,100	17,919	70,305	49,412	273,736
Charged for the year	27,219	-	15,648	33,324	76,191
At 31 August 2020	163,319	17,919	85,953	82,736	349,927
Net book value					
At 31 August 2020	2,405,035	-	160,247	85,853	2,651,135
At 31 August 2019	2,432,254	-	103,347	69,265	2,604,866

Freehold property includes land valued at £82,152 (2019: £82,152) which is not depreciated.

8 DEBTORS

	2020 £	2019 £
Trade debtors	396,544	437,682
Prepayments and accrued income	21,002	33,602
Other debtors	558	4,493
	418,104	475,777

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	82,404	21,773
Tax and social security	23,236	23,859
Parent deposits	9,500	9,100
Accruals and deferred income	633,938	674,989
Other creditors	10,285	3,796
	<u>759,363</u>	<u>733,517</u>

The movement on deferred school fees is as follows:

	2020	2019
	£	£
At 1 September 2019	555,808	567,010
Released to income	(555,808)	(567,010)
Received in the year and deferred	555,412	555,808
	<u>555,412</u>	<u>555,808</u>
At 31 August 2020	<u>555,412</u>	<u>555,808</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Parent deposits	76,650	91,250
	<u>76,650</u>	<u>91,250</u>

11 FINANCIAL COMMITMENTS

At 31 August 2020 the charity was committed to future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Due within one year	4,392	4,392
Due in two to five years	9,150	13,542
	<u>13,542</u>	<u>17,934</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12 RELATED PARTY TRANSACTIONS

The key management personnel are considered to be the Trustees and the members of the senior leadership team.

The Trustees volunteer in their roles and therefore there was no Trustees' remuneration, other benefits nor reimbursed expenses during the current or prior period.

In the prior period, the son of a Trustee of the School was paid £947 in relation to IT services and garden maintenance. The trustee in question was not in office during the current period.

In the prior period, the daughter of a Trustee of the School was paid £1,542 in relation to Early Years Childcare services provided to the School. The trustee in question was not in office during the current period.

The total amount of employee benefits (including employer's pension contributions) received by key management personnel during the year was £299,136 (2019: £288,543).

13 PENSION COMMITMENTS

Teachers' Pension Scheme (TPS)

The School participates in the TPS for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £150,372 (2019: £100,904) and at the year end £Nil (2019: £Nil) was accrued in respect of contributions to this scheme.

As a result of the changes to the Teachers' Pension following the latest valuation (as set out below) the trustees have agreed, following discussion with staff, to withdraw from the scheme at 31 August 2020. This will mean the School is no longer exposed to any future liabilities arising from this scheme. From 1 September 2020 teaching staff will be enrolled in a defined contribution scheme with Aviva.

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13 PENSION COMMITMENTS continued

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.