

Charity number: 307935
Company registered number: 00852510

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

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HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2023

Trustees	Mr D. R. Walker, Chairman Mr D. Eaton, Vice Chairman Mrs L. Alexander Mr J. Buckles Mr W. Faure-Walker Mrs G. Harrison (retired 25 May 2023) Mrs V. C. Larmour Mr M. Phelps Mrs E. C. Pocock (retired 27 May 2023) Mr A. Robbins (appointed 9 March 2023) Mrs S. Robertson Mr C. J. C. Swainson
Company registered number	00852510
Charity registered number	307935
Registered office	38 Dry Hill Park Road Tonbridge Kent TN10 3BU
Senior Statutory Auditor	Amy Healey FCA CTA DChA 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 BEd (Hons) QTS MEd

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their report together with the audited financial statements of the School for the year from 1 September 2022 to 31 August 2023. 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.

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 2023

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 2022-23 were:

- To support the SLT in preparing for a successful compliance inspection
- To support the school's applications to renew Values VbE accreditation and its SMSC Gold Standard Award
- To consider how the school could become fully sustainable in terms of education, finance, staff development, public benefit, social and environmental criteria
- To support the SLT in reviewing the current Bursary structure and make additional resources available if needed
- To develop a succession plan for the Chair of Trustees and identify any other succession issues or skills gaps prior to recruiting new trustees

Our Achievements and Performance

The school passed its ISI compliance inspection in March 2023. There will be a new inspection framework from September 2023 and work is already in progress to ensure the school is compliant.

Our accreditation as a Values based Education (VbE) school was successfully renewed. Hilden Oaks is one of only two schools in Kent to be awarded the International Values Education Trust (IVET) Values Quality Mark. We were also re-awarded the SMSC Gold Standard Award for excellence in Spiritual Moral Social & Cultural Development.

The structure and working practices of the bursary were reviewed and its recommendations implemented. A new position of HR Manager has been created and successfully filled. The Single Central Register has been upgraded to ensure greater resilience.

Our Year 6 pupils moved on to a wide range of secondary schools, which included Bethany, Hillview, Invicta Grammar, The Judd School, Kent College, Radnor House, Tonbridge Grammar School, Tunbridge Wells Boys' Grammar, Tunbridge Wells Girls' Grammar, Uplands, Walthamstow Hall and Weald of Kent. Four pupils were offered scholarships.

In May, we celebrated the King's Coronation with a Creative Curriculum day which provided the pupils with an opportunity to reflect on the rich legacy that continues to define us as a nation and shapes our cultural evolution.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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 31 August 2023 report a net deficit of £33,147 (2022: net deficit of £92,709). 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 £3,965,327 (2022: £3,998,474) including freehold property carried at a cost of £4,586,138 (2022: £4,672,979).

The total free reserves of the Trust, being general funds less the net book value of fixed assets, amount to a deficit of £621,999 (2022: deficit position of £674,505). In July 2020, the Trust took out a 20 year fixed rate loan of £500,000 with NatWest to help with cash flow over the development period and subsequently to boost working capital. The Trust will maintain a prudent level of cash reserves in the short term and intends to build the reserves in the longer term towards a target of 13 weeks or a full term's expenditure.

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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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.' A report is made annually 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".

The School continues to develop its links with Leigh Primary School where our headmistress is on the governing body. We continue to explore opportunities for further cooperation between our two schools. This work advances our broader educational aims and we believe that the exchange of ideas is mutually beneficial.

Other activities undertaken by the school to complement the financial support it provides to selected pupils included sponsoring training for Early Years practitioners, attendance at Remembrance Day services, carol singing and visits to local retirement homes.

Financial bursaries and scholarships

During the year, the Trust supported 14 pupils (2022: 12) 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 £108,778 (2022: £99,172). This represents 5.0% (2022: 5.0%) of the school's income.

Our Plans for the Future

The trustees held a strategic awayday in May 2023 to consider how the school could become fully sustainable in terms of education, finance, staff development, public benefit, social and environmental criteria. The main outcomes from the day were:

- To investigate and potentially adopt a more enquiry-based curriculum in keeping with modern pedagogy, preparation for secondary education and future employer requirements / life skills
- To build on the EYFS' current position as a centre of excellence and main school feeder by increasing staffing and resources, including the provision of wrap around care
- To expand marketing and business development activity to increase external recruitment
- To investigate new ways of using IT to enhance teaching and learning and drive operational efficiencies

These have been incorporated into a new Five Year Strategic Plan 2023-28.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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 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.

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 income and pupil numbers in the light of the current economic situation.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Risk management and sector financial pressures

The independent education sector is going through period of considerable volatility and change.

The prospect of a Labour Government in 2024/25 is increasingly likely, with a policy of removing or reducing the VAT exemption on school fees. In addition, high inflation and interest rates are affecting costs and parental ability to pay fees. The UK demographic trends show a 15% decline in primary school age children by 2030, exacerbated by a low fertility rate. Overall numbers in independent schools remain stable, but a significant proportion are showing falling school rolls and several have had to close.

Despite this, there is a market niche for small charitable independent prep schools and nurseries like Hilden Oaks, as long as they maintain a clear positioning and distinct, attractive educational offer.

The pandemic showed the vulnerability of the state sector in providing a continuous education during lockdown and many schools have had to close again with teachers going on strike. Post pandemic working practices have changed and we are seeing an increase in young families with two working parents who require extended hours, year-round nursery care. Demand for Early Years is therefore high (and our provision is outstanding) but difficult to fulfil due to shortages of staff. Local demographics are buoyant with new housing estates being built and migration from London.

The school budget is developed to ensure that we can continue to attract high quality teaching staff, who represent two-thirds of our expenditure. Fees are then set to cover remaining costs, taking into account likely pupil numbers, capital expenditure requirements and inflation, together with a suitable level of surplus.

The primary risk mitigation has been to optimise our marketing to attract new pupils, many of whom join the school from our Nursery which enjoys a pre-eminent local reputation and demand for places exceeds availability. The main school continues to operate at high capacity levels and offers good value for money in the local catchment area.

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

- 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 28 November 2023 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
FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Hilden Oaks School Educational Trust Limited (the 'School') for the year ended 31 August 2023 comprising the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related Notes, including 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILDEN OAK SCHOOL EDUCATIONAL TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2023

Other information

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

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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILDEN OAK SCHOOL EDUCATIONAL TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2023

- 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the preparation of the financial statements of the School, and the procedures that management adopt to ensure compliance. We have considered the extent to which non-compliance might have a material effect on the financial statements, and in particular we identified: the Companies Act 2006, Financial Reporting Standard 102, the Charities Act 2011 and the Charities Statement of Recommended Practice.

We have also identified other laws and regulations that do not have a direct effect on the amounts or disclosures within the financial statements, but for which compliance is fundamental to the School's operations and to avoid material penalties, including compliance with GDPR and data protection regulations, health and safety regulations concerning education establishments, food hygiene standards, safeguarding regulations concerning children in educational environments and compliance with the Independent Schools Inspectorate.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILDEN OAK SCHOOL EDUCATIONAL TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2023

Having reviewed the laws and regulations applicable to the School, we designed and performed audit procedures to obtain sufficient appropriate audit evidence. Specifically, we:

- Selected a team with sector experience to perform the audit;
- Obtained an understanding of the School's procedures for ensuring compliance with laws and regulations;
- Obtained and reviewed internal policy and procedure documents;
- Made enquiries of management and the trustees regarding whether they were aware of any actual or suspected incidences of non-compliance with laws and regulations;
- Obtained and reviewed meeting minutes;
- Obtained and reviewed correspondence with the regulator;
- Reviewed legal expenses accounts for indications of any possible non-compliance; and
- Reviewed the completeness and accuracy of any disclosures made in the financial statements.

We assessed the susceptibility of the School's financial statements to material misstatement, including considering how fraud might occur. This was performed by:

- Making an assessment of the School's control environment, systems and controls including identifying any weaknesses and considering the risk of management override of controls;
- Assessing the susceptibility of the School's financial statements to material misstatement, including considering how fraud could occur;
- Considering whether there are any incentives or opportunities for management to manipulate financial results;
- Obtaining and evaluating the trustees' assessment of the risk of fraud, and enquiring as to whether they are aware of any actual or suspected incidences of fraud;
- Reviewing the accounting policies and accounting estimates for signs of management bias; and
- Identifying key risks relating to irregularities as relating to revenue recognition including fraud, and management override of controls.

We then designed audit procedures in response to the risks identified, including performing substantive testing on all material income streams and reviewing journal entries and accounting estimates.

The audit has been planned and performed in accordance with auditing standards, however, because of the inherent limitations of audit procedures there remains a risk that we will not detect all irregularities, including those that may lead to material misstatements in the financial statements. There are inherent difficulties in detecting irregularities, and irregularities that result from fraud may be more difficult to detect than irregularities that result from error, for example due to concealment, override of controls, collusion or misrepresentations. In addition, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less audit procedures are able to identify it.

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.

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

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

FOR THE YEAR ENDED 31 AUGUST 2023

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
Statutory Auditors, Chartered Accountants
North House, 198 High Street
Tonbridge
Kent TN9 1BE

Date: 14/12/2023

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 Total funds £	2022 Total funds £
Income from:			
Grants and donations		517	-
Charitable activities	3	2,145,907	1,940,538
Bank interest		2,558	224
Total		<u>2,148,982</u>	<u>1,940,762</u>
Expenditure on:			
Charitable activities	4	<u>2,182,129</u>	<u>2,033,471</u>
Total		<u>2,182,129</u>	<u>2,033,471</u>
Net expenditure and net movement in funds		<u>(33,147)</u>	<u>(92,709)</u>
Reconciliation of funds:			
Total funds brought forward		<u>3,998,474</u>	<u>4,091,183</u>
Total funds carried forward		<u><u>3,965,327</u></u>	<u><u>3,998,474</u></u>

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	7		4,586,138		4,672,979
Current assets					
Stocks		2,005		1,391	
Debtors	8	650,136		57,293	
Cash at bank and in hand		135,045		225,006	
		<u>787,186</u>		<u>283,690</u>	
Creditors: amounts falling due within one year	9	<u>(877,627)</u>		<u>(408,315)</u>	
Net current assets			<u>(90,441)</u>		<u>(124,625)</u>
Total assets less current liabilities			<u>4,495,697</u>		<u>4,548,354</u>
Creditors: amounts falling due after more than one year	10		<u>(530,370)</u>		<u>(549,880)</u>
Total net assets			<u><u>3,965,327</u></u>		<u><u>3,998,474</u></u>
The funds of the charity:					
Unrestricted funds			<u>3,965,327</u>		<u>3,998,474</u>
			<u><u>3,965,327</u></u>		<u><u>3,998,474</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 28 November 2023 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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(18,465)	(148,941)
Cash flows from investing activities:			
Bank interest received		2,558	224
Purchase of tangible fixed assets		(55,754)	(1,608,961)
Net cash used in investing activities		(53,196)	(1,608,737)
Cash flows from financing activities:			
Repayments of bank borrowings		(18,300)	(6,962)
Cash inflows from new borrowing		-	500,000
Net cash provided by financing activities		(18,300)	493,038
Change in cash and cash equivalents in the year		(89,961)	(1,264,640)
Cash and cash equivalents at the beginning of the year		225,006	1,489,646
Cash and cash equivalents at the end of the year		135,045	225,006
A. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
Net expenditure and net movement in funds for the year		(33,147)	(92,709)
Depreciation charges		142,595	103,807
Bank interest		(2,558)	(224)
(Increase) / decrease in stocks		(614)	1,541
(Increase) / decrease in debtors		(592,843)	333,887
(Decrease) in creditors		468,102	(495,243)
Net cash used in operating activities		(18,465)	(148,941)
B. Analysis of changes in net debt			
		Cash £	Bank loans £
At start of year		225,006	(493,038)
Cash flows		(89,961)	18,300
Net debt at the end of the year		135,045	(474,738)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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).

The Trust has reasonable assumptions around costs and income (income is driven by known and expected pupil numbers) and is therefore in a position to budget a positive cashflow position for at least the next two years. The Trustees therefore consider that 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 2023

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

New freehold building additions have been analysed based on their comprising components as follows:

Main fabric (including roof)	50 years on the straight line basis
Windows & external doors	25 years on the straight line basis
Mechanical and electrical	20 -25 years on the straight line basis
Bathroom fittings	10 years on the straight line basis
Kitchen fittings	10 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, including bank loans, 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.

The School operates a defined contribution scheme for teachers and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	<i>2023</i>	<i>2022</i>
	<i>Total</i>	<i>Total</i>
	<i>£</i>	<i>£</i>
School fees receivable	2,241,008	2,025,117
Other school income	13,677	14,593
Bursaries, scholarships and Covid-19 fee reductions	(108,778)	(99,172)
	<u>2,145,907</u>	<u>1,940,538</u>

4 EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>2023</i>	<i>2022</i>
	<i>Total</i>	<i>Total</i>
	<i>£</i>	<i>£</i>
Staff costs	1,282,317	1,217,266
Food and housekeeping	188,294	183,255
IT expenses	42,361	49,260
Repairs and maintenance	43,460	38,045
Stationery, books and materials	51,377	46,059
Utilities	27,116	26,643
Other direct costs	22,055	24,501
Facilities hire	10,829	17,852
Minibus expenses	7,992	8,861
Teacher training	7,978	9,079
Bad and doubtful debts	10,163	(9,840)
Support costs allocated	488,187	422,490
	<u>2,182,129</u>	<u>2,033,471</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4 EXPENDITURE ON CHARITABLE ACTIVITIES continued

	2023 Total £	2022 Total £
Support costs comprise:		
Staff costs	220,791	194,142
Recruitment	6,182	4,574
Insurance	28,937	31,424
Health and safety	11,520	11,520
Printing, post and stationery	611	8,395
Other staff costs	8,282	10,590
Marketing	14,799	14,680
Rates	5,188	7,243
Subscriptions and membership fees	5,753	6,314
Telephone and communication	1,458	1,370
Other costs	3,481	941
Depreciation	142,595	103,806
Bank charges	1,585	1,487
Loan interest	17,647	8,016
Governance costs:		
Auditors' remuneration	7,500	6,900
Auditors' non-audit fees	3,000	2,113
Legal and professional fees	8,858	8,975
	<u>488,187</u>	<u>422,490</u>

5 NET EXPENDITURE AND NET MOVEMENT IN FUNDS

	2023 £	2022 £
Net expenditure and net movement in funds is stated after charging/(crediting):		
Depreciation	142,595	103,806
Auditors' remuneration for audit services	7,500	6,900
Auditors' remuneration for non-audit services	3,000	2,113
Operating lease rentals	<u>4,392</u>	<u>4,392</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6 STAFF COSTS

	2023 £	2022 £
Gross salaries	1,254,612	1,189,179
Employer's pension contributions	102,811	97,898
Employer's National Insurance contributions	111,786	107,855
Group life and protection insurance	14,300	12,370
Supply and freelance	19,599	4,106
	<u>1,503,108</u>	<u>1,411,408</u>

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

	2023 No.	2022 No.
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

At the balance sheet date pension contributions unpaid amounted to £13,274 (2022: £12,163).

The average number of employees on a headcount basis was:

	2023	2022
Teaching staff	47	42
Domestic staff	2	2
Administrative staff	6	6
	<u>55</u>	<u>50</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022	4,711,405	17,919	282,678	208,966	5,220,968
Additions	5,493	-	15,657	34,604	55,754
Disposals	-	-	(10,262)	-	(10,262)
At 31 August 2023	4,716,898	17,919	288,073	243,570	5,266,460
Depreciation					
At 1 September 2022	236,539	17,919	135,013	158,518	547,989
Charged for the year	87,813	-	25,001	29,781	142,595
Eliminated on disposal	-	-	(10,262)	-	(10,262)
At 31 August 2023	324,352	17,919	149,752	188,299	680,322
Net book value					
At 31 August 2023	4,392,546	-	138,321	55,271	4,586,138
At 31 August 2022	4,474,866	-	147,665	50,448	4,672,979

Freehold property includes land at cost of £87,152 (2022: £87,152) which is not depreciated.

Freehold property additions include assets under construction of £Nil (2022: £16,479) which are not depreciated.

The bank loan disclosed in notes 9 and 10 is secured by way of a fixed charge over the freehold property.

8 DEBTORS

	2023 £	2022 £
Trade debtors	591,563	2,820
Prepayments and accrued income	52,794	45,689
Other debtors	5,779	8,784
	650,136	57,293

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loan	17,732	17,172
Trade creditors	24,008	40,678
Tax and social security	29,428	31,524
Parent deposits	7,000	9,500
Accruals and deferred income	786,500	292,582
Other creditors	12,959	16,859
	<u>877,627</u>	<u>408,315</u>

The movement on deferred school fees is as follows:

	2023 £	2022 £
At 1 September 2022	224,545	593,072
Released to income	(224,545)	(593,072)
Received in the year and deferred	<u>751,965</u>	<u>224,545</u>
At 31 August 2023	<u>751,965</u>	<u>224,545</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Bank loan	457,006	475,866
Parent deposits	<u>73,364</u>	<u>74,014</u>
	<u>530,370</u>	<u>549,880</u>

The bank loan is repayable over 20 years. The interest rate on the loan is fixed initially at 3.89%. The loan is secured by a first legal charge over the school property. Of the above bank loan balance £377,941 (2022: £397,027) is due in greater than five years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11 FINANCIAL COMMITMENTS

At 31 August 2023 the charity was committed to future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Due within one year	366	4,392
Due in two to five years	-	366
	<u>366</u>	<u>4,758</u>

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.

During the year, the daughter of the Bursar of the school was paid £1,007 (2022: £Nil) in relation to her role as an early years practitioner.

During the year, John Buckles a trustee of the charity was paid £13,025 (2022: £Nil) in relation to bursar support.

The school offers discounted student fees for pupils of parents employed as teachers at The Tonbridge School. One trustee benefitted from this discount, which amounted to £3,607 (2022: One trustee - £3,450).

The total amount of employee benefits (including employer's pension contributions) received by key management personnel during the year was £302,895 (2022: £302,117).