

Charity number: 307935
Company registered number: 00852510

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2024

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HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2024

| | |
|---------------------------|---|
| Trustees | Mr D. R. Walker, Chair Mr M. Phelps, Vice Chair Mrs L. Alexander Mrs S. Bell (appointed 4 March 2024) Mr J. Buckles Mr D. Eaton Mr W. Faure-Walker (resigned 19 February 2024) Mr B. Kibara (appointed 1 May 2024) Mrs V. C. Larmour Mr A. Robbens 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 9 Mount Pleasant Road Tunbridge Wells Kent TN1 1QJ |
| Solicitors | Warners Solicitors Bank House Bank Street Tonbridge Kent TN9 1BL |
| Headteacher | Mrs S. Wade (from 1 st September 2024) Mrs K Joiner (to 31 st August 2024) |

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees present their report together with the audited financial statements of the School for the year from 1 September 2023 to 31 August 2024. 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 necessary.

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 develop children who are grounded in values, growing in confidence, and keen to achieve.
- to create a welcoming, friendly, family atmosphere where every child can be safe and happy, developing inter-personal skills and respect for others.
- to consider every child as an individual and motivate them to reach their full potential.
- to employ and develop 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 contribute to the community through action and service, in order to build a kinder, more sustainable world.
- to provide a benefit to the public in accordance with our charitable status.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023-24 were:

- To support the SLT in ensuring that the school is ready for inspection under the new ISI format
- To investigate and potentially work towards adopting a more enquiry-based curriculum
- To support the SLT in expanding marketing and business development activity with a view to increasing external recruitment
- To further develop the 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

Mrs Katy Joiner, who had been Headmistress since 2015, resigned to take up a new post in Milton Keynes. The Trust appointed Mrs Sharon Wade, previously the Deputy Head, to be Head Teacher from September 2024 and a transition plan was implemented.

Our accreditation as a Values based Education (VbE) school was successfully renewed last year. 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.

Our Year 6 pupils moved on to a wide range of secondary schools, which included Bennett Memorial, The Judd School, Radnor House, The Skinners' School, Tonbridge Grammar School, Tunbridge Wells Boys' Grammar School, Tunbridge Wells Girls' Grammar School, Walthamstow Hall and Weald of Kent. Two pupils were offered scholarships.

The school's preparation for inspection under the new ISI regime was built around the School Evaluation Form (SEF) and the Single Central Register was upgraded to ensure greater resilience. A successful mock inspection was held in June 2024.

The trustees agreed to investigate the IB Primary Years Program (PYP) as a new curriculum framework more in keeping with modern pedagogy, preparation for secondary education and future employer requirements / life skills. The school has made an initial application made to become a candidate school for PYP, SLT and Trustees have made three school visits and an IB liaison contact has been established

Stickman Consultancy were appointed to conduct a full marketing and communications audit. As a result, the school has adopted a new vision statement; *"To be the best future-focussed school where pupils, staff and families become kind, brave and brilliant making a positive impact on the world"*. The new school motto, *"Cultivating Brilliance"* will inform a wide program of marketing activity.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Derick Walker agreed to continue as Chair of Trustees until July 2025 to support Mrs Wade in her first year as Head Teacher. Martin Phelps agreed to succeed him for the 2025-26 academic year and a transition plan is in hand. Two new trustees have been identified.

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 2024 report a net deficit of £42,470 (2023: net deficit of £33,147). 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 £3,922,857 (2023: £3,965,327) including freehold property carried at a net book value of £4,487,980 (2023: £4,586,138).

The total free reserves of the Trust, being general funds less the net book value of fixed assets, amount to a deficit of £565,123 (2023: deficit position of £620,811). 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

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.'

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 and fund-raising for charitable causes, including the annual harvest festival.

Financial bursaries and scholarships

During the year, the Trust supported 22 pupils (2023: 14) 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 £100,738 (2023: £108,778). This represents 4.5% (2023: 5.0%) of the school's income.

Our Plans for the Future

The trust's key objectives for 2024-25 are

- To support Mrs Wade in her first year as the new Headteacher
- To develop comprehensive plans for the imposition of VAT on school fees, with options in case of a serious reduction in pupil numbers
- To support the SLT in developing a successful application for candidate status as an IB school offering the PYP curriculum
- To support the further development of Early Years Foundation Stage (EYFS) as a centre of excellence with a significant proportion of pupils joining the main school

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

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, undergo compulsory safeguarding training 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 Headteacher, 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 Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions. The day-to-day management of the school is delegated to the Headteacher 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 and imposition of VAT on school fees.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Risk management and sector financial pressures

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

The new Labour Government has imposed VAT on school fees from January 2025 and schools are having to consider what proportion of this additional cost to parents they can absorb. This is in addition to the removal of the 80% charitable relief on business rates. It is likely that numbers in independent schools will decline, and some schools may have to merge or close.

Inflation and interest rates are falling, but still 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. However, this shows considerable variation by area.

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.

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. We also maintain competitive fees compared to our local competition.

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 2024

- 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 21 November 2024 and signed on their behalf by:

Mr D. R. Walker
Chairman

Mr A. Robbens
Chair of the Finance Committee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILDEN OAK SCHOOL EDUCATIONAL TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the financial statements of Hilden Oaks School Educational Trust Limited (the 'School') for the year ended 31 August 2024 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 2024 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.

We draw your attention to Note 1 of the financial statements, which explains that the trustees consider the charitable company to be a going concern based on its forecasts for the next two years and contingencies it has in place.

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 2024

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 2024

- 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 2024

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 conducting substantive analytical procedures and performing substantive testing on all material income streams, reviewing journal entries, accounting estimates and significant transactions for signs of bias.

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 2024

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: 5 December 2024

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

| | Note | 2024 Total funds £ | 2023 Total funds £ |
|---|------|-----------------------------|-----------------------------|
| Income from: | | | |
| Grants and donations | | - | 517 |
| Charitable activities | 3 | 2,316,571 | 2,145,907 |
| Bank interest | | 5,750 | 2,558 |
| Total | | <u>2,322,321</u> | <u>2,148,982</u> |
| Expenditure on: | | | |
| Charitable activities | 4 | <u>2,364,791</u> | <u>2,182,129</u> |
| Total | | <u>2,364,791</u> | <u>2,182,129</u> |
| Net expenditure and net movement in funds | | <u>(42,470)</u> | <u>(33,147)</u> |
| Reconciliation of funds: | | | |
| Total funds brought forward | | <u>3,965,327</u> | <u>3,998,474</u> |
| Total funds carried forward | | <u><u>3,922,857</u></u> | <u><u>3,965,327</u></u> |

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

BALANCE SHEET AS AT 31 AUGUST 2024

| | Note | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|------|---------------------|-------------------------|-------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 4,487,980 | | 4,586,138 |
| Current assets | | | | | |
| Stocks | | 2,338 | | 2,005 | |
| Debtors | 8 | 462,464 | | 650,136 | |
| Cash at bank and in hand | | 786,817 | | 135,045 | |
| | | <u>1,251,619</u> | | <u>787,186</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(1,044,013)</u> | | <u>(877,627)</u> | |
| Net current assets | | | <u>207,606</u> | | <u>(90,441)</u> |
| Total assets less current liabilities | | | <u>4,695,586</u> | | <u>4,495,697</u> |
| Creditors: amounts falling due after more than one year | 10 | | <u>(772,729)</u> | | <u>(530,370)</u> |
| Total net assets | | | <u><u>3,922,857</u></u> | | <u><u>3,965,327</u></u> |
| The funds of the charity: | | | | | |
| Unrestricted funds | | | <u>3,922,857</u> | | <u>3,965,327</u> |
| | | | <u><u>3,922,857</u></u> | | <u><u>3,965,327</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 21 November 2024 and are signed on its behalf by:

Mr D. R. Walker
Chair

Mr A. Robbins
Chair of the Finance Committee

Company number: 00852510

HILDEN OAKS SCHOOL EDUCATIONAL TRUST LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

| | Note | 2024 £ | 2023 £ |
|--|------|-----------|-----------------|
| Cash flows from operating activities: | | | |
| Net cash provided by/(used in) operating activities | A | 712,698 | (18,465) |
| Cash flows from investing activities: | | | |
| Bank interest received | | 5,750 | 2,558 |
| Purchase of tangible fixed assets | | (45,857) | (55,754) |
| Net cash used in investing activities | | (40,107) | (53,196) |
| Cash flows from financing activities: | | | |
| Repayments of bank borrowings | | (20,819) | (18,300) |
| Net cash used in financing activities | | (20,819) | (18,300) |
| Change in cash and cash equivalents in the year | | 651,772 | (89,961) |
| Cash and cash equivalents at the beginning of the year | | 135,045 | 225,006 |
| Cash and cash equivalents at the end of the year | | 786,817 | 135,045 |
| | | | |
| | | 2024 £ | 2023 £ |
| A. Reconciliation of net (expenditure)/income to net cash flow from operating activities | | | |
| Net expenditure and net movement in funds for the year | | (42,470) | (33,147) |
| Depreciation charges | | 144,015 | 142,595 |
| Bank interest | | (5,750) | (2,558) |
| Increase in stocks | | (333) | (614) |
| Decrease / (increase) in debtors | | 187,672 | (592,843) |
| Increase in creditors | | 429,564 | 468,102 |
| Net cash provided by/(used in) operating activities | | 712,698 | (18,465) |
| | | | |
| B. Analysis of changes in net debt | | Cash £ | Bank loans £ |
| At start of year | | 135,045 | (474,738) |
| Cash flows | | 651,772 | 20,819 |
| At the end of the year | | 786,817 | (453,919) |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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).

Following the Government's implementation of its policy for independent schools to charge VAT on its fees from January 2025 the Trust has updated its modelling with regard to its 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. A number of contingencies have been identified should pupil numbers not match expectations. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1 ACCOUNTING POLICIES continued

Fund accounting

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

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 and school fees paid in advance due greater than 1 year 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1 ACCOUNTING POLICIES continued

Leasing

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

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>2024</i> | <i>2023</i> |
|---------------------------------------|------------------|------------------|
| | <i>Total</i> | <i>Total</i> |
| | <i>£</i> | <i>£</i> |
| School fees receivable | 2,405,789 | 2,241,008 |
| Other school income | 11,520 | 13,677 |
| Bursaries and other financial support | (100,738) | (108,778) |
| | <u>2,316,571</u> | <u>2,145,907</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4 EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2024 Total £ | 2023 Total £ |
|---------------------------------|--------------------|--------------------|
| Staff costs | 1,423,964 | 1,282,317 |
| Food and housekeeping | 212,179 | 188,294 |
| IT expenses | 39,438 | 43,819 |
| Repairs and maintenance | 37,625 | 43,460 |
| Stationery, books and materials | 53,872 | 51,377 |
| Utilities | 31,351 | 27,116 |
| Other direct costs | 10,577 | 22,055 |
| Facilities hire | 7,752 | 10,829 |
| Minibus expenses | 8,561 | 7,992 |
| Teacher training | 9,825 | 7,978 |
| Childcare booking management | 6,433 | - |
| Bad and doubtful debts | - | 10,163 |
| Support costs allocated | 523,214 | 486,729 |
| | <u>2,364,791</u> | <u>2,182,129</u> |

| | 2024 Total £ | 2023 Total £ |
|-----------------------------------|--------------------|--------------------|
| Support costs comprise: | | |
| Staff costs | 232,060 | 220,791 |
| Recruitment | 13,659 | 6,182 |
| Insurance | 30,610 | 28,937 |
| Health and safety | 11,520 | 11,520 |
| Printing, post and stationery | 935 | 611 |
| Other staff costs | 9,011 | 8,282 |
| Marketing | 24,314 | 14,799 |
| Rates | 8,324 | 5,188 |
| Subscriptions and membership fees | 7,495 | 5,753 |
| Other costs | 2,010 | 3,481 |
| Depreciation | 144,016 | 142,595 |
| Bank charges | 1,557 | 1,585 |
| Loan interest | 18,119 | 17,647 |
| Governance costs: | | |
| Auditors' remuneration | 8,000 | 7,500 |
| Auditors' non-audit fees | 3,000 | 3,000 |
| Legal and professional fees | 8,584 | 8,858 |
| | <u>523,214</u> | <u>486,729</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5 NET EXPENDITURE AND NET MOVEMENT IN FUNDS

| | 2024 | 2023 |
|---|----------------|----------------|
| | £ | £ |
| Net expenditure and net movement in funds is stated after charging/(crediting): | | |
| Depreciation | 144,016 | 142,595 |
| Auditors' remuneration for audit services | 8,000 | 7,500 |
| Auditors' remuneration for non-audit services | 3,000 | 3,000 |
| Operating lease rentals | 366 | 4,392 |
| | <u>155,382</u> | <u>157,487</u> |

6 STAFF COSTS

| | 2024 | 2023 |
|---|------------------|------------------|
| | £ | £ |
| Gross salaries | 1,379,313 | 1,254,612 |
| Employer's pension contributions | 110,792 | 102,811 |
| Employer's National Insurance contributions | 121,010 | 111,786 |
| Group life and protection insurance | 16,585 | 14,300 |
| Supply and freelance | 28,324 | 19,599 |
| | <u>1,656,024</u> | <u>1,503,108</u> |

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

| | 2024 | 2023 |
|-------------------------------|----------|----------|
| | No. | No. |
| In the band £70,001 - £80,000 | 1 | 1 |
| In the band £80,001 - £90,000 | 1 | 1 |
| | <u>2</u> | <u>2</u> |

At the balance sheet date pension contributions unpaid amounted to £14,133 (2023: £13,274).

The average number of employees on a headcount basis was:

| | 2024 | 2023 |
|----------------------|-----------|-----------|
| Teaching staff | 50 | 47 |
| Domestic staff | 2 | 2 |
| Administrative staff | 7 | 6 |
| | <u>59</u> | <u>55</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 | 4,716,898 | 17,919 | 288,073 | 243,570 | 5,266,460 |
| Additions | - | 16,365 | 3,714 | 25,778 | 45,857 |
| Disposals | - | - | (3,453) | (61,708) | (65,161) |
| At 31 August 2024 | 4,716,898 | 34,284 | 288,334 | 207,640 | 5,247,156 |
| Depreciation | | | | | |
| At 1 September 2023 | 324,352 | 17,919 | 149,752 | 188,299 | 680,322 |
| Charged for the year | 87,813 | 4,091 | 25,478 | 26,633 | 144,015 |
| Eliminated on disposal | - | - | (3,453) | (61,708) | (65,161) |
| At 31 August 2024 | 412,165 | 22,010 | 171,777 | 153,224 | 759,176 |
| Net book value | | | | | |
| At 31 August 2024 | 4,304,733 | 12,274 | 116,557 | 54,416 | 4,487,980 |
| At 31 August 2023 | 4,392,546 | - | 138,321 | 55,271 | 4,586,138 |

Freehold property includes land at cost of £87,152 (2023: £87,152) which is 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

| | 2024 £ | 2023 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 377,769 | 591,563 |
| Prepayments and accrued income | 73,719 | 52,794 |
| Other debtors | 10,976 | 5,779 |
| | 462,464 | 650,136 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 £ | 2023 £ |
|------------------------------|------------------|----------------|
| Bank loan | 17,754 | 17,732 |
| Trade creditors | 52,826 | 24,008 |
| Tax and social security | 28,425 | 29,428 |
| Parent deposits | 9,000 | 7,000 |
| Accruals and deferred income | 920,156 | 786,500 |
| Other creditors | 15,852 | 12,959 |
| | <u>1,044,013</u> | <u>877,627</u> |

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Amounts due at the balance sheet date totalled £14,133 (2023: £13,247), these are included within tax and social security.

The movement on deferred school fees is as follows:

| | 2024 £ | 2023 £ |
|--|------------------|----------------|
| At 1 September 2023 | 751,965 | 224,545 |
| Released to income | (751,965) | (224,545) |
| Received in the year and deferred less than one year | 879,560 | 751,965 |
| Received in the year and deferred more than one year | 265,200 | - |
| At 31 August 2024 | <u>1,144,760</u> | <u>751,965</u> |

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2024 £ | 2023 £ |
|-----------------|----------------|----------------|
| Bank loan | 436,165 | 457,006 |
| Parent deposits | 71,364 | 73,364 |
| Deferred income | 265,200 | - |
| | <u>772,729</u> | <u>530,370</u> |

The bank loan is repayable over 20 years. The interest rate on the loan is fixed over the period at 3.89%. The loan is secured by a first legal charge over the school property. Of the above bank loan balance £356,236 (2023: £377,941) is due in greater than five years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

11 FINANCIAL COMMITMENTS

At 31 August 2024 the charity was committed to future minimum lease payments under non-cancellable operating leases as follows:

| | 2024 | 2023 |
|---------------------|------|------|
| | £ | £ |
| Due within one year | - | 366 |

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 £Nil (2023: £1,007) in relation to her role as an early years practitioner.

During the year, John Buckles, a trustee of the charity, was paid £Nil (2023: £13,025) in relation to bursar support.

The school offers discounted student fees for pupils of parents employed as teachers at The Tonbridge School. No trustees benefitted from this discount in the year (2023: One trustee: £3,607).

The total amount of employee benefits (including employer's pension contributions) received by key management personnel during the year was £323,232 (2023: £302,895).