

# THE HAWTHORNS EDUCATIONAL TRUST LIMITED

England & Wales · Charity number 312067

## Details

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**Other names** THE HAWTHORNS SCHOOL

**Status** Registered

**Legal form** Charitable company

**Company number** [00949504](#)

**Registered** 1970-05-07

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** The Hawthorns School  
Pendell Court  
Pendell Road  
Betchingley  
Redhill  
RH1 4QJ

**Phone** 01883743048

**Email** [bursar@hawthorns.com](mailto:bursar@hawthorns.com)

**Website** [www.hawthorns.com](http://www.hawthorns.com)

## Activities

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**Objects:** TO ADVANCE THE EDUCATION OF BOYS AND IF THOUGHT FIT, FOR THE EDUCATION OF GIRLS BY THE PROVISION AND MAINTENANCE OF SCHOOLS

**Activities:** The charity operates The Hawthorns School, Betchingley, Surrey. A preparatory school for girls and boys, aged 2 to 13 set in 35 acres of grounds close to Oxted, Godstone, Redhill and Reigate.

## Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Amateur Sport
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

## Geography

- Surrey

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£8,381,082	£7,878,240	£7,579,441	101
2024-08-31	£8,441,379	£8,426,016	£7,076,599	149
2023-08-31	£8,263,579	£7,408,794	£7,068,262	96
2022-08-31	£6,834,262	£6,735,744	£6,206,451	136
2021-08-31	£5,993,340	£6,113,841	£6,107,933	128

## Trustees

Name	Role	Appointed
Christine Black-Nyaga		2025-01-22
David James Wilson Chalmers		2025-01-22
Mark Joseph Dockery		2014-09-15
Mary Lavinia Whenman		2025-01-22
Sarah Elizabeth Raja		2021-02-01
Susan Gibbin		2026-02-17

**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

England & Wales - Charity number 312067

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# Accounts

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THE  
HAWTHORNS  
SCHOOL

## **THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

(a Registered Charity and Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School

## **GOVERNORS' ANNUAL REPORT AND AUDITED CONSOLIDATED ACCOUNTS**

**For the 11 months ended 31 July 2025**

Company Registration Number-00949504

Charity Commission Registration-Number-312067

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The Hawthorns Educational Trust Limited  
**GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Period Ended 31 July 2025

The Governors (who are also directors of the Charity for the purposes of the Companies Act) present their Annual Report, together with the Audited Accounts of The Hawthorns Educational Trust Limited (the Company) for the period ended 31 July 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the School's Memorandum and Articles of Association, and 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).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hawthorns School was founded in 1926. The Hawthorns School Educational Trust Limited (the Trust) is a company limited by guarantee, number 00949504, and was registered at Companies House on 7 March 1969. The Trust is a registered charity, number 312067, registered at the Charity Commission on 7 May 1970. The charity is governed by its Memorandum and Articles of Association dated 7 May 1970. The charity operates The Hawthorns School, an independent nursery and preparatory school for boys and girls aged 6 months to 13, in Bletchingley, Surrey.

### **Governors**

The Governors, who are the directors of the Group for the purposes of company law, and are the charity trustees, for the purposes of charity law, during the year and since, were as follows:

Mr BJC Dyer	(retired 15 July 2025)
Mr RJ Buckingham	(retired 22 January 2025)
Mr MJ Dockery *	
Mr RHC Kirkland	(retired 22 January 2025)
Mr HJW Oliver	(retired 22 January 2025)
Mrs SE Raja * **	
Mr SJO Roche	(retired 22 January 2025)
Mr DWJ Searle	(retired 28 October 2025)
Mr MB Tinker	(retired 22 January 2025)
Mrs BS Lee	(retired 22 January 2025)
Mrs C Black-Nyaga *	(appointed 22 January 2025)
Mr DJW Chalmers *	(appointed 22 January 2025)
Mr MR Mear	(appointed 22 January 2025 and retired 11 September 2025)
Mrs ML Whenman *	(appointed 22 January 2025)
Mrs J Stewart *	(appointed 13 March 2025)

\* Governor, director and charity trustee at date of signing these accounts.

\*\* Parent of current pupil at date of signing these accounts.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Period Ended 31 July 2025

### **Governing body**

Governors are elected by the governing body. At each annual general meeting the nearest number to one third of the total Governors retire and are eligible for re-election. The Governors to retire each year are those who have been longest in office since their last election.

In order to maintain a broad skill mix, Governors are selected from a wide range of professions and, in the event of particular skills being lost due to retirement; individuals with the requisite skills are approached to offer themselves for election to the governing body.

Governors derive no financial benefit from their office other than as shown in the notes to the accounts, but are reimbursed for any travel or administrative expenses.

### **Governor induction and training**

Governor induction, following appointment, comprises the review of a portfolio of documentation covering all aspects of the Group, including the most recent audited accounts, the Memorandum and Articles of Association, copies of Board Meeting Minutes, School Prospectus, recent newsletters to parents, staff lists with responsibilities, governance documentation with sub-committee details and a copy of the Charity Commission publication, 'The Essential Trustee'.

Governors are expected to attend subcommittee meetings (depending on their skills; see subcommittee details below) as required and to attend termly Board Meetings. Governors are encouraged to visit the School during term time, to meet the pupils, Headmaster, Bursar and Senior Leadership Team.

Training, after appointment, is provided by comprehensive mailing of information relevant to the School's day to day activities and by a formal training session held each year at a board meeting. The Chairman of Governors attends an outside training course run by IAPS (Independent Association of Preparatory Schools) during the first year of office. Governors are encouraged to visit the Charity Commission website for up to date information.

Key executives, professional advisers and contact information:

Headmaster	Mr A E Floyd
Bursar and Company Secretary	Mr P I Walker
Senior Leadership Team	Mr A Duggan Miss S C Fowler Ms A M Gallagher Mr M W Goldhawk Mrs K-A Kirkman Mr A J Morris Mr R Skottowe
Address and Registered Office	The Hawthorns Educational Trust Limited T/A The Hawthorns School Pendell Court Bletchingley, Surrey RH1 4QJ

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Period Ended 31 July 2025

Bankers	Lloyds Bank plc 1 London Road Redhill Surrey RH1 1ND
Auditors	Moore Kingston Smith LLP 6 <sup>th</sup> Floor, 9 Appold Street London EC2A 2AP
School Website	<a href="http://www.hawthorns.com">www.hawthorns.com</a>
Email	office@hawthorns.com

### **Organisational management**

The Governors determine the general policy of the Trust. The key management personnel of the School are the Governors, the Headmaster, the Bursar and the Senior Leadership Team. The Governors meet, as a body, at least once each term. Various sub-committees meet to deal with matters during the year as required.

The remuneration of the Headmaster and the Bursar is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The objects are set out in the Memorandum of Association as the education of girls and boys. It is the aim of the Trust, as an independent educational establishment, to lay academic, physical and moral foundations of the highest quality. These foundations will equip the School's pupils with self-confidence and a desire to contribute to the wider community and, in preparing them for the next stage of their education, will enable them to face and overcome the many challenges of life ahead.

In setting objectives and planning activities, the Governors have given due consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

### **STRATEGIC REVIEW**

#### **Achievements and Performance**

The School enjoyed a successful academic year with 31% of leavers being awarded scholarships to join their senior school.

In the School, Pupils have continued to enjoy success in a wide variety of sports, activities, and creative pursuits. The all-round education that the Hawthorns seeks to deliver continues to result in high levels of pupil success.

Efforts continue to ensure that no suitable pupil is denied an education at the School on the grounds of affordability. Accordingly, the Governors are pleased to offer means-tested bursaries (assisted places) to parents with limited income. During the period bursary awards were made to 8 pupils (2024: 8) and their value was £79,818 (2024: £89,011).

With effect from 31 December 2024, Caterham School became the sole member of The Hawthorns Educational Trust Ltd. Significant recent external events, including the imposition of VAT on school fees, the removal of business rates relief and increases in costs of employing staff resulted in significant challenges best met from a position of financial and collaborative strength. This has been achieved by joining the Caterham Family of Schools.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Period Ended 31 July 2025

### **Financial Review**

The Trust received total income of £8,381,082 (2024: £8,484,264) and the consolidated net incoming resources for the year amounted to £502,842 (2024: net incoming resources of £15,363). Total funds carried forward were £7,579,441 which includes £25,000 of restricted funds (2024: £7,076,599 which included £25,000 of restricted funds). The balance of £7,554,441 is held as unrestricted funds (2024: £7,051,599).

Capital expenditure has been undertaken to make improvements to the School facilities. This amounted to £285,856 during the year (2024: £627,904). There is a plan of continuous upgrading of the School's facilities to keep pace with the requirements of a leading nursery and preparatory school.

### **Change of financial year end**

To align with Caterham School, the financial year end was changed from August to July and so the financial statements have been prepared for the 11 months ended 31 July 2025.

This change has affected the Net Income for the period which was £502,842. For the year ended 31 August 2025 the Net Income was £79,469. The difference is because the school carries ongoing costs in August, whilst income is much reduced due to the holidays. Trade debtors increased significantly compared to August 2024 because invoices are raised the end of July and many are paid during August. Camp Hawthorns is much lower than the year ended 31 August 2024 as a significant proportion of that income occurs in August.

### **Investment in subsidiary**

The Trust owns 100% of the shares of its subsidiary company, The Hawthorns (Pendell Court) Limited, which in turn owns the freehold of the premises occupied by the Trust. The accounts consolidate the financial statements of both companies.

The subsidiary is a non-trading company and the latest un-audited accounts have been made up to 5 April 2025 and it is these accounts that have been used in the consolidation. Both companies are incorporated in the United Kingdom and registered in England and Wales.

### **Reserves policy**

All unrestricted funds are used to finance building development projects and generally improve the overall facilities of the School. Donations towards specific projects are included within restricted funds. Donations to The Hawthorns Foundation are allocated to restricted funds. General donations are allocated to unrestricted funds. The Governors have assessed the assets available and the obligations of the Trust and have concluded that the assets are sufficient to meet its obligations, based on current operations and pupil numbers.

### **Plans for Future Periods**

The School continually plans ahead and examines ways in which it could adapt to all future challenges. Plans focus on ensuring the School is in the best position to offer an excellent education at an affordable price. The strategic alliance with the Caterham Family of Schools has opened up significant opportunities which will benefit the School's pupils and their education.

The School has been active in ensuring that all new families are welcomed and enjoy a Hawthorns education for their child. The School's marketing and admission policy has ensured that the School represents the ethnicity of the local area. The School sees that this year 24% of its intake comes from ethnically diverse families. The EDI committees (staff and parents) review and monitor ways in which the School can learn and become more inclusive.

### **Principal Risks and Uncertainties**

The Governors assess the major risks to which the School is exposed, particularly relating to its operations and finances, on a regular basis. The most significant risk is considered to be a possible fall in the number of pupils attending the School, especially in with high cost of living landscape, the imposition of VAT on and other costs affecting school fees and a declining birth rate.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Period Ended 31 July 2025

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors, who are also the directors of The Hawthorns Educational Trust Limited for the purposes of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and its subsidiary and of the incoming resources and application of resources, including the income and expenditure, of the group for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report, incorporating the Strategic Report, was approved by the Board of Governors on 27 November 2025 and signed on behalf of the Board.



Mr D Chalmers

**Chair of Governors**

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Period ended 31 July 2025

**Opinion**

We have audited the financial statements of The Hawthorns Educational Trust Limited (the 'charitable company') and its subsidiary (the 'group') for the period ended 31 July 2025. 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 group's and the parent charitable company's affairs as at 31 July 2025 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the governors' 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 doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

**Other information**

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

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Period ended 31 July 2025

**Opinions 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 Governors' annual report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors (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 Governors 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Period ended 31 July 2025

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the Governors' and other management (as required by auditing standards), and discussed with the Governors' and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, school inspections, keeping children safe in education (statutory guidance), DBS checks and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

**Neil Finlayson**  
**for and on behalf of Moore Kingston Smith LLP**  
**Statutory Auditors**

Dated: 18 December 2025

The Hawthorns Educational Trust Limited  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Income and Expenditure Account)  
Period Ended 31 July 2025

	Notes	Unrestricted funds £	Restricted funds £	Total 11 month period ended 2025 £	Total Year ended 2024 £
<b>Income from:</b>					
<b>Donations and legacies</b>		2,225	-	<b>2,225</b>	495
<b>Charitable activities</b>					
Fees receivable	3	7,193,848	-	<b>7,193,848</b>	7,381,964
Other educational income	3	604,417	-	<b>604,417</b>	397,127
<b>Other trading activities</b>					
Sports centre	4	544,294	-	<b>544,294</b>	658,985
<b>Investments</b>					
Bank interest		26,724	-	<b>26,724</b>	5,497
<b>Other income</b>	5	9,574	-	<b>9,574</b>	10,196
<b>Total income</b>		<b>8,381,082</b>	-	<b>8,381,082</b>	<b>8,454,264</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Sports centre		583,354	-	<b>583,354</b>	659,537
<b>Charitable activities</b>					
Education		7,294,886	-	<b>7,294,886</b>	7,779,364
<b>Total expenditure</b>	6	<b>7,878,240</b>	-	<b>7,878,240</b>	<b>8,438,901</b>
Net movement in funds		502,842	-	<b>502,842</b>	15,363
<b>Reconciliation of funds</b>					
Fund balance at 1 September 2024		7,051,599	25,000	<b>7,076,599</b>	7,061,236
<b>Fund balance at 31 July 2025</b>		<b>7,554,441</b>	25,000	<b>7,579,441</b>	7,076,599

This statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All activities are classed as continuing.

There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

The notes on pages 15 to 26 form part of these financial statements.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED BALANCE SHEET**  
As at 31 July 2025

	Notes	As at 31 July 2025		As at 31 August 2024	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		<b>9,694,183</b>		9,834,998
<b>CURRENT ASSETS</b>					
Debtors	12	<b>2,723,951</b>		1,778,461	
Cash at bank and in hand		<b>1,659,059</b>		2,017,712	
Total current assets		<u><b>4,383,010</b></u>		<u>3,796,173</u>	
Creditors - Amounts falling due within one year	13	<u><b>(3,980,173)</b></u>		<u>(3,652,997)</u>	
<b>NET CURRENT ASSETS</b>			<b>402,837</b>		143,176
			<u><b>10,097,020</b></u>		<u>9,978,174</u>
<b>Long term liabilities</b>					
Creditors - Amounts falling due after more than one year	14		<b>(2,517,579)</b>		(2,901,575)
<b>TOTAL NET ASSETS</b>			<u><b>7,579,441</b></u>		<u>7,076,599</u>
Represented by:					
Unrestricted funds	17		<b>7,554,441</b>		7,051,599
Restricted funds	16		<b>25,000</b>		25,000
<b>TOTAL NET ASSETS</b>			<u><b>7,579,441</b></u>		<u>7,076,599</u>

These accounts were approved by the Board on 27 November 2025



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Mr D Chalmers

Company number 00949504

The notes on pages 15 to 26 form part of these financial statements.

The Hawthorns Educational Trust Limited  
**COMPANY BALANCE SHEET**  
As at 31 July 2025

	Notes	As at 31 July 2025		As at 31 August 2024	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		<b>9,584,183</b>		9,724,998
Investment in subsidiary	11		<b>71,534</b>		71,534
			<u>9,655,717</u>		<u>9,796,532</u>
<b>CURRENT ASSETS</b>					
Debtors	12	<b>2,723,927</b>		1,778,437	
Cash at bank and in hand		<b>1,659,059</b>		2,017,712	
Total current assets		<u>4,382,986</u>		<u>3,796,149</u>	
Creditors - Amounts falling due within one year	13	<b>(3,979,933)</b>		(3,652,757)	
<b>NET CURRENT ASSETS</b>			<b>403,053</b>		143,392
			<u>10,058,770</u>		<u>9,939,924</u>
<b>Long term liabilities</b>					
Creditors - Amounts falling due after more than one year	14		<b>(2,517,579)</b>		(2,901,575)
<b>TOTAL NET ASSETS</b>			<u>7,541,191</u>		<u>7,038,349</u>
Represented by:					
Unrestricted funds	17		<b>7,516,191</b>		7,013,349
Restricted funds	16		<b>25,000</b>		25,000
<b>TOTAL NET ASSETS</b>			<u>7,541,191</u>		<u>7,038,349</u>

These accounts were approved by the Board on 27 November 2025



.....  
Mr D Chalmers

Company number 00949504

The notes on pages 15 to 26 form part of these financial statements.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED CASHFLOW STATEMENT**  
 Period Ended 31 July 2025

	11 month period ended 31 July 2025		Year ended 31 August 2024	
	£	£	£	£
<b>Cash flows from operating activities:</b>				
Net income/expenditure for the period		502,842		15,363
Adjustments for:				
Depreciation	426,671		443,978	
Interest payable	176,775		184,043	
Interest receivable	(26,724)		(5,497)	
Decrease/(Increase) in debtors	(945,490)		117,779	
(Decrease)/Increase in creditors	5,960		440,421	
<b>Net cash provided by operating activities</b>		<b>(362,808)</b>		<b>1,180,724</b>
<b>Cash flows from investing activities</b>				
Purchase of fixed assets	(285,856)		(627,904)	
Bank interest received	26,724		5,497	
<b>Net cash used in investing activities</b>		<b>(259,132)</b>		<b>(622,407)</b>
<b>Cash flows from financing activities</b>				
Cash inflows from new borrowing	-		443,076	
Repayments of borrowing	(62,780)		(69,270)	
Interest payable	(176,775)		(184,043)	
<b>Net cash provided by financing activities</b>		<b>(239,555)</b>		<b>189,763</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(358,653)</b>		<b>763,443</b>
Cash and cash equivalents at the beginning of the period		2,017,712		1,254,269
<b>Cash and cash equivalents at the end of the period</b>		<b>1,659,059</b>		<b>2,017,712</b>
<b>Analysis of cash and cash equivalents</b>				
Cash at bank and in hand		1,659,059		2,017,712
Bank loans due within one year		(253,656)		(67,520)
Bank loans due after one year		(2,344,161)		(2,593,077)
<b>Total cash and cash equivalents</b>		<b>(938,758)</b>		<b>(642,885)</b>

The notes on pages 15 to 26 form part of these financial statements.

## NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

### 1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Governors' annual report.

### 2 ACCOUNTING POLICIES

#### Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS102) and Financial Reporting Standard 102.

The charitable company meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

After reviewing the charity's forecasts and projections, the Governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its accounts.

#### Currency

The Group presents its accounts in sterling and figures are rounded to the nearest £.

#### Group accounts

The accounts consolidate the results of the charity and its wholly owned subsidiary The Hawthorns (Pendell Court) Limited on a line by line basis. A separate Statement of Financial Activities (including income and expenditure account) for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The subsidiary is a non trading company. Its latest un-audited accounts have been made up to 5 April 2025 and it is these accounts that have been used in the consolidation.

#### Income

Donations received for the general purposes of the School are credited to unrestricted funds except insofar as they are incapable of financial measurement. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the charity.

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded. They are stated after deducting bursaries, scholarships and other fee remissions granted by the school.

Sports centre, rental and investment income are accounted for in the period in which they are receivable. Other incoming resources are accounted for when received.

All income is recognised net of VAT.

#### Expenditure

Expenditure is accounted for on an accruals basis, with value added tax included within the item of expense to which it relates. Overhead and other costs not directly attributable to a particular functional activity category are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the cost of board and committee meetings and preparing statutory accounts and satisfying public accountability.

The irrecoverable element of VAT is included with the item of expense to which it relates.

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**2 Accounting policies (Continued)**

**Assets**

Fixed assets are shown on the balance sheet at cost less accumulated depreciation. Current assets are shown at the lower of cost and net realisable value.

**Depreciation**

Depreciation is provided on fixed assets to write off their cost over their estimated useful life as follows:

Freehold and short leasehold property - 2% - 10% straight line

Electrical, computer and garden equipment - 20% straight line

Fixtures, fittings, tools and equipment - 10% straight line

**Pension schemes**

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the Scheme are charged to the Statement of Financial Activities as they fall due. The Teachers' Pension Scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS102, the Teachers' Pension Scheme is a multi-employer pension scheme. The school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS102 the scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to personal pension schemes for non-teaching staff. Teachers that joined the school from September 2022 are part of this scheme.

**Operating lease rentals**

Rentals paid in respect of assets held under operating leases are taken to the Statement of Financial Activities as they fall due.

**Investments**

Investments consist of a shareholding in the group subsidiary and are held at cost.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments. The Governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Debtors**

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

**Fund accounting**

Unrestricted funds comprise those funds which can be used in accordance with the charitable objectives at the discretion of the Governors.

Restricted funds are those funds which can be used in accordance with the specific restrictions imposed by the donor or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds and the School reimburses the costs from unrestricted funds. The aim and use of each restricted fund is set out further in the notes to the accounts.

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**2 Accounting policies (Continued)**

**Turnover**

The turnover of the charity is wholly attributable to the object of the charity as stated in the Governors' Report and is earned entirely within the UK.

**Taxation**

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

Deferred taxation in the subsidiary company arising on the valuation of the freehold is not provided for as, in the opinion of the directors of the Group, the liability is unlikely to arise.

**Critical accounting estimates and judgements**

In the application of the Group's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Governors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

**3 Income from Charitable Activities**

	<b>11 months 2025</b>	<b>Year 2024</b>
	<b>£</b>	<b>£</b>
<b>Fees receivable consist of:</b>		
School fees	7,605,092	7,806,427
Less: Bursaries, scholarships and discounts	(411,244)	(424,463)
	<u>7,193,848</u>	<u>7,381,964</u>
<b>Other educational income</b>		
Other fees and income	604,417	397,127
	<u>7,798,265</u>	<u>7,779,091</u>

**4 Income from other trading activities**

Sports lettings	85,739	87,165
Sports coaching	323,261	355,171
Camp Hawthorns	129,809	207,260
Other trading	4,436	8,470
	<u>543,245</u>	<u>658,066</u>
Total sports centre income		
Other lettings and activities	1,049	919
	<u>544,294</u>	<u>658,985</u>

**5 Other income**

Registration fees	9,574	10,196
	<u>9,574</u>	<u>10,196</u>

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

<b>6 Analysis of expenditure</b>	<b>Staff costs</b>	<b>Depreciation</b>	<b>Other</b>	<b>Total 11 months 2025</b>	<b>Total Year 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of raising funds</b>					
Lettings (Inc sports centre)	337,792	-	245,562	<b>583,354</b>	659,537
<b>Total cost of raising funds</b>	<b>337,792</b>	<b>-</b>	<b>245,562</b>	<b>583,354</b>	<b>659,537</b>
<b>Charitable activities</b>					
Teaching	3,991,086	172,162	383,062	<b>4,546,310</b>	4,787,863
Welfare	-	-	606,013	<b>606,013</b>	643,661
Premises	207,462	254,509	585,582	<b>1,047,553</b>	1,131,296
Finance costs	-	-	198,291	<b>198,291</b>	198,628
Support and governance	466,008	-	430,711	<b>896,719</b>	1,017,916
<b>Total charitable expenditure</b>	<b>4,664,556</b>	<b>426,671</b>	<b>2,203,659</b>	<b>7,294,886</b>	<b>7,779,364</b>
<b>Total expenditure</b>	<b>5,002,348</b>	<b>426,671</b>	<b>2,449,221</b>	<b>7,878,240</b>	<b>8,438,901</b>
 <b>Comparative total expenditure</b>	 <b>Staff costs</b>	 <b>Depreciation</b>	 <b>Other</b>	 <b>Total 2024</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Cost of raising funds</b>					
Lettings (Inc sports centre)	364,696	-	294,841	659,537	
<b>Total cost of raising funds</b>	<b>364,696</b>	<b>-</b>	<b>294,841</b>	<b>659,537</b>	
<b>Charitable activities</b>					
Teaching	4,212,426	179,076	396,361	4,787,863	
Welfare	28,371	-	615,290	643,661	
Premises	210,355	264,724	656,217	1,131,296	
Finance costs	-	-	198,628	198,628	
Support and governance	476,892	-	541,024	1,017,916	
<b>Total charitable expenditure</b>	<b>4,928,044</b>	<b>443,800</b>	<b>2,407,520</b>	<b>7,779,364</b>	
<b>Total expenditure</b>	<b>5,292,740</b>	<b>443,800</b>	<b>2,702,361</b>	<b>8,438,901</b>	
				<b>2025</b>	<b>2024</b>
				<b>£</b>	<b>£</b>
<b>Analysis of support and governance costs</b>					
Governance costs:					
Auditors' remuneration for audit services				<b>16,500</b>	15,000
Support costs:					
Auditors remuneration for non audit services				-	14,388
Support staff wages, NI and pension costs				<b>466,008</b>	476,892
Other support costs				<b>414,211</b>	511,636
				<b>896,719</b>	<b>1,017,916</b>

Net income is stated after charging £67,255 (2024: £42,358) to operating lease rentals included within premises costs.

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**7 Comparative Statement of Financial Activities for the year ended 31 August 2024**

	Unrestricted funds £	Restricted funds £	Total 2024 £
<b>Income from:</b>			
<b>Donations and legacies</b>	495	-	495
<b>Charitable activities</b>			
Fees receivable	7,779,091	-	7,779,091
<b>Other trading activities</b>			
Sports centre	658,985	-	658,985
<b>Investments</b>			
Bank interest	5,497	-	5,497
<b>Other income</b>	10,196	-	10,196
<b>Total income</b>	<u>8,454,264</u>	<u>-</u>	<u>8,454,264</u>
<b>Expenditure on:</b>			
<b>Raising funds</b>			
Sports centre	659,537	-	659,537
<b>Charitable activities</b>			
Education	7,779,364	-	7,779,364
<b>Total expenditure</b>	<u>8,438,901</u>	<u>-</u>	<u>8,438,901</u>
<b>Net income</b>	<b>15,363</b>	<b>-</b>	<b>15,363</b>
Transfer between funds	195,479	(195,479)	-
Net movement in funds	<u>210,842</u>	<u>(195,479)</u>	<u>15,363</u>
<b>Reconciliation of funds</b>			
Total funds brought forward	6,840,757	220,479	7,061,236
<b>Fund balances carried forward</b>	<u>7,051,599</u>	<u>25,000</u>	<u>7,076,599</u>

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**8 Staff costs**

	<b>11 months 2025</b>	<b>Year 2024</b>
	<b>£</b>	<b>£</b>
Salaries and wages	<b>3,878,805</b>	4,170,433
Social security costs	<b>410,897</b>	393,628
Pension costs	<b>712,646</b>	728,679
	<b><u>5,002,348</u></b>	<u>5,292,740</u>

Number of employees whose emoluments for the year exceeded £60,000

	<b>No.</b>	<b>No.</b>
£60,000 to £69,999	<b>3</b>	3
£70,000 to £79,999	<b>2</b>	2
£90,000 to £99,999	<b>1</b>	-
£150,000 to £159,999	<b>1</b>	1
	<b><u>1</u></b>	<u>1</u>

Contributions totalling £122,509 (2024: £115,826) were made during the period to a pension scheme on behalf of the above employees.

The average monthly headcount was 145 staff (2024: 149 staff) and the average monthly number of full time equivalent employees during the period was:

	<b>No.</b>	<b>No.</b>
Teaching and teaching assistants	<b>72</b>	74
Administration, kitchen, maintenance and sports centre	<b>29</b>	28
	<b><u>101</u></b>	<u>102</u>

The key management personnel of the school are detailed in the Governors' report.

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Aggregate employee benefits of key management personnel	<b><u>1,011,423</u></b>	<u>1,049,668</u>

During the year settlement agreement payments totalling £44,806 (2024: £Nil) were payable.

**9 Operating surplus**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Included within the operating surplus for the period are the following:		
<b>Charitable activities - Education</b>		
Operating lease rentals	<b>67,255</b>	42,538
<b>Governance</b>		
Auditors' fees - Audit services	<b>16,500</b>	15,000
Auditors' fees - other services	-	14,388

As described in the notes to the accounts, no separate Statement of Financial Activities has been prepared for the School alone. The School contributed a surplus of £502,842 to the surplus of the Group for the period (2024: £29,913 to the surplus).

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Period Ended 31 July 2025

**10 Tangible Fixed Assets**

<b>The Group</b>	<b>Freehold property</b>	<b>Electrical, computer &amp; garden Equipment</b>	<b>Fixtures, fittings, tools &amp; equipment</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 September 2024	13,841,055	498,131	940,488	15,279,674
Additions	141,098	663	144,095	285,856
Disposals	-	-	-	-
At 31 July 2025	<u>13,982,153</u>	<u>498,794</u>	<u>1,084,583</u>	<u>15,565,530</u>
<b>Depreciation</b>				
At 1 September 2024	4,376,876	429,185	638,615	5,444,676
Charge for the period	325,915	14,544	86,212	426,671
Eliminated on disposals	-	-	-	-
At 31 July 2025	<u>4,702,791</u>	<u>443,729</u>	<u>724,827</u>	<u>5,871,347</u>
<b>Net Book Value</b>				
<b>At 31 July 2025</b>	<u><b>9,279,362</b></u>	<u><b>55,065</b></u>	<u><b>359,756</b></u>	<u><b>9,694,183</b></u>
At 31 August 2024	<u>9,464,179</u>	<u>68,946</u>	<u>301,873</u>	<u>9,834,998</u>
<b>The Company</b>	£	£	£	£
<b>Cost</b>				
At 1 September 2024	13,731,055	498,131	940,488	15,169,674
Additions	141,098	663	144,095	285,856
Disposals	-	-	-	-
At 31 July 2025	<u>13,872,153</u>	<u>498,794</u>	<u>1,084,583</u>	<u>15,455,530</u>
<b>Depreciation</b>				
At 1 September 2024	4,376,876	429,185	638,615	5,444,676
Charge for the period	325,915	14,544	86,212	426,671
Eliminated on disposals	-	-	-	-
At 31 July 2025	<u>4,702,791</u>	<u>443,729</u>	<u>724,827</u>	<u>5,871,347</u>
<b>Net Book Value</b>				
<b>At 31 July 2025</b>	<u><b>9,169,362</b></u>	<u><b>55,065</b></u>	<u><b>359,756</b></u>	<u><b>9,584,183</b></u>
At 31 August 2024	<u>9,354,179</u>	<u>68,946</u>	<u>301,873</u>	<u>9,724,998</u>

The freehold property shown in the accounts of the company relates to improvements made to the freehold property owned by the subsidiary company and is therefore added to the freehold property in the accounts of the group. The market value of freehold properties is estimated by the Governors to be in excess of the book value at the period end.

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**11 Investment in subsidiary**

	<b>2025</b>	<b>2024</b>
	£	£
Investment - Shares at cost	<b>71,534</b>	<b>71,534</b>

The Company owns 100% of the shares of the subsidiary company The Hawthorns (Pendell Court) Limited, company number 700823, which owns the freehold of the premises occupied by the Trust. Both companies are incorporated in the United Kingdom and registered in England and Wales.

The trading results of The Hawthorns (Pendell Court) Limited for the year ended 5 April 2025 are:

Profit for the year	<b>£Nil</b>
Capital and reserves	<b>109,784</b>

**12 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	£	£	£	£
Trade debtors	<b>2,451,427</b>	1,623,511	<b>2,451,403</b>	1,623,487
Other debtors	<b>100,563</b>	14,325	<b>100,563</b>	14,325
Prepayments	<b>168,461</b>	140,625	<b>168,461</b>	140,625
Amounts owed by parent undertaking	<b>3,500</b>	-	<b>3,500</b>	-
Amounts owed by subsidiary company	-	-	-	-
	<b>2,723,951</b>	<b>1,778,461</b>	<b>2,723,927</b>	<b>1,778,437</b>

**13 Creditors - Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	£	£	£	£
Bank loans and overdrafts	<b>253,656</b>	67,520	<b>253,656</b>	67,520
Fee deposits	<b>294,500</b>	247,600	<b>294,500</b>	247,600
Deferred income	<b>2,466,400</b>	2,625,173	<b>2,466,400</b>	2,625,173
Amounts owed to group undertakings	-	-	-	-
Trade creditors	<b>104,512</b>	175,966	<b>104,512</b>	175,966
Social security and other taxation	<b>421,400</b>	93,895	<b>421,400</b>	93,895
Other creditors and accruals	<b>439,705</b>	442,843	<b>439,465</b>	442,603
	<b>3,980,173</b>	<b>3,652,997</b>	<b>3,979,933</b>	<b>3,652,757</b>

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**14 Creditors - Amounts falling due after more than one year**

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Long terms loans	<b>2,344,161</b>	2,593,077	<b>2,344,161</b>	2,593,077
Deferred income	<b>173,418</b>	308,498	<b>173,418</b>	308,498
	<b><u>2,517,579</u></b>	<u>2,901,575</u>	<b><u>2,517,579</u></b>	<u>2,901,575</u>

**Loan maturity analysis**

Repayable in less than one year (Note 13)	<b>253,656</b>	67,520	<b>253,656</b>	67,520
Repayable in 1-2 years	<b>253,656</b>	250,311	<b>253,656</b>	250,311
Repayable in 2-5 years	<b>760,968</b>	302,705	<b>760,968</b>	302,705
Repayable in over 5 years	<b>1,329,537</b>	2,348,559	<b>1,329,537</b>	2,348,559
	<b><u>2,597,817</u></b>	<u>2,969,095</u>	<b><u>2,597,817</u></b>	<u>2,969,095</u>

Interest on the loan is charged at 2.55% above base rate. The loan is repayable in February 2043.

Total loan repayments during the period amounted to £239,405 (2024: £69,270).

The company also has a Bank overdraft facility. The loans and overdraft are secured by a fixed and floating charge on the Group's freehold property. The overdraft was not being used at the year end.

**15 Advanced Fees Payment Scheme**

Parents may enter into a contract to pay the school tuition fees in advance. The money may be returned, subject to specific conditions, upon receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as below:

	2025	2024
	£	£
Due within one year	<b>216,344</b>	291,894
Due after more than one year	<b>166,808</b>	308,498
	<b><u>383,152</u></b>	<u>600,392</u>

The balance represents the accrued liability under the contracts. The movements during the period were:

	2025	2024
	£	£
Balance at the beginning of the period	<b>600,392</b>	174,232
Amounts received during the period	-	597,968
Amounts credited to pupil accounts for fees	<b>(217,240)</b>	(171,808)
Balance at the end of the period	<b><u>383,152</u></b>	<u>600,392</u>

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**16 Restricted Fund**

The Hawthorns Foundation provides a long term fund to assist the School with bursary awards and to provide funds for specific capital projects. Donations are received predominantly from current and former parents and from Old Hawthornians.

	<b>Balance At 1 Sep 24 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Balance At 31 Jul 25 £</b>
The Hawthorns Foundation	25,000	-	-	-	<b>25,000</b>
<b>Designation of fund</b>					
Capital projects fund	25,000	-	-	-	25,000
<b>Total fund</b>	<b>25,000</b>	-	-	-	<b>25,000</b>

The School contributed £Nil (2024: £Nil) towards the running costs of The Hawthorns Foundation.

**17 Unrestricted Fund**

	<b>Balance At 1 Sep 24 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Balance At 31 Jul 25 £</b>
<b>The Group</b>	<b>7,051,599</b>	<b>8,381,082</b>	<b>(7,878,240)</b>	-	<b>7,554,441</b>
<b>The Company</b>	<b>7,013,349</b>	<b>8,381,082</b>	<b>(7,878,240)</b>	-	<b>7,516,191</b>

Designated funds represents funds allocated by the Governors for roof repairs. Transfers represent the amounts spent during the period.

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**18 Analysis of net assets between funds of the Group**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2025 £</b>
Tangible fixed assets	9,694,183	-	9,694,183
Current assets	4,358,010	25,000	4,383,010
Current liabilities	(3,980,173)	-	(3,980,173)
Long term liabilities	(2,517,579)	-	(2,517,579)
<b>At 31 July 2025</b>	<b>7,554,441</b>	<b>25,000</b>	<b>7,579,441</b>

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2024 £</b>
<i>Tangible fixed assets</i>	<i>9,834,998</i>	<i>-</i>	<i>9,834,998</i>
<i>Current assets</i>	<i>3,771,173</i>	<i>25,000</i>	<i>3,796,173</i>
<i>Current liabilities</i>	<i>(3,652,997)</i>	<i>-</i>	<i>(3,652,997)</i>
<i>Long term liabilities</i>	<i>(2,901,575)</i>	<i>-</i>	<i>(2,901,575)</i>
<i>At 31 August 2024</i>	<i>7,051,599</i>	<i>25,000</i>	<i>7,076,599</i>

**19 Operating leases**

Total lease commitments for assets held under operating leases were as follows:

	<b>2025 £</b>	<b>2024 £</b>
Payable within one year	<b>3,197</b>	<i>72,873</i>
Payable between two and five years	<b>238,276</b>	<i>193,773</i>
	<b>241,473</b>	<i>266,646</i>

**20 Governors' remuneration, reimbursement of expenses and interest in contracts**

No remuneration was provided to any Governors during the period. No Governors were reimbursed travel expenditure during the period (2024: £Nil).

Mr B J C Dyer, the former Chair of Governors, was a director of Bradley Dyer Raw Limited which provides advertising production services amounting to £6,997 (2024: £11,772) to the Hawthorns School. These services are provided at preferential rates.

**21 Pension costs**

The School participates in the Teachers' Pension Scheme (The TPS) for its teaching staff. The pension charge for the period includes contributions payable to the TPS of £419,030 (2024: £479,046) and at the period end £Nil (2024: £Nil) was accrued in respect of contributions to the Scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**NOTES TO THE ACCOUNTS**

Period Ended 31 July 2025

**21 Pension costs (Continued)**

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the "greater value" benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6% and employers are also required to pay a scheme administration levy of 0.08% giving a total employers contribution rate of 28.68%. With effect from 1 September 2024, participants in the TPS are required to take a 3.5% salary cut to remain in the Scheme so that the increase in employer contributions is cost neutral to the School, or alternatively move to the defined contribution scheme as described below.

The School also operates a defined contribution pension scheme for non TPS staff. The pension charge for the period includes contributions payable to this scheme of £217,915 (2024: £249,632) and at the period end £Nil (2024: £Nil) was accrued in respect of contributions to this scheme. Teachers that joined the school from September 2022 are part of this scheme, as the school introduced a phased withdrawal from the Teachers' Pension Scheme.

**22 Ultimate controlling party**

The sole member of the charitable company The Hawthorns Educational Trust Limited is Caterham School, the ultimate controlling company. Caterham School's registered office is Harestone Valley Road, Caterham, Surrey CR3 6YA, company registration number 5410210 and charity registration number 1109508. Caterham School prepares consolidated accounts which includes The Hawthorns Educational Trust Limited.

**23 Capital commitments**

Amounts contracted for but not provided for in the financial statements amount to £Nil plus VAT (2024: £51,253 plus VAT).

**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

England & Wales - Charity number 312067

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# Accounts

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THE  
HAWTHORNS  
SCHOOL

## **THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

(a Registered Charity and Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School

## **GOVERNORS' ANNUAL REPORT AND AUDITED CONSOLIDATED ACCOUNTS**

**For the year ended 31 August 2024**

Company Registration Number-00949504

Charity Commission Registration-Number-312067

The Hawthorns Educational Trust Limited

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The Hawthorns Educational Trust Limited  
**GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2024

The Governors (who are also directors of the Charity for the purposes of the Companies Act) present their Annual Report, together with the Audited Accounts of The Hawthorns Educational Trust Limited (the Company) for the year ended 31 August 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the School's Memorandum and Articles of Association, and 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).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hawthorns School was founded in 1926. The Hawthorns School Educational Trust Limited (the Trust) is a company limited by guarantee, number 00949504, and was registered at Companies House on 7 March 1969. The Trust is a registered charity, number 312067, registered at the Charity Commission on 7 May 1970. The charity is governed by its Memorandum and Articles of Association dated 7 May 1970. The charity operates The Hawthorns School, a co- educational pre-preparatory and preparatory school for pupils aged 2 to 13, in Bletchingley, Surrey.

### **Governors**

The Governors, who are the directors of the Group for the purposes of company law, and are the charity trustees, for the purposes of charity law, during the year and since, were as follows:

Mr BJC Dyer \*  
Mr LWJ Baart (resigned 31 July 2024)  
Mr RJ Buckingham \*  
Mr MJ Dockery \*  
Mr RHC Kirkland \*  
Mr HJW Oliver \*  
Mrs SE Raja \* \*\*  
Mr SJO Roche \*  
Mr DWJ Searle \* \*\*  
Mr MB Tinker \*  
Mrs BS Lee (appointed 29 August 2024)

\* Governor, director and charity trustee at date of signing these accounts.

\*\* Parent of current pupil at date of signing these accounts.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2024

### **Governing body**

Governors are elected by the governing body. At each annual general meeting the nearest number to one third of the total Governors retire and are eligible for re-election. The Governors to retire each year are those who have been longest in office since their last election.

In order to maintain a broad skill mix, Governors are selected from a wide range of professions and, in the event of particular skills being lost due to retirement; individuals with the requisite skills are approached to offer themselves for election to the governing body.

Governors derive no financial benefit from their office other than as shown in the notes to the accounts, but are reimbursed for any travel or administrative expenses.

### **Governor induction and training**

Governor induction, following appointment, comprises the review of a portfolio of documentation covering all aspects of the Group, including the most recent audited accounts, the Memorandum and Articles of Association, copies of Board Meeting Minutes, School Prospectus, recent newsletters to parents, staff lists with responsibilities, governance documentation with sub-committee details and a copy of the Charity Commission publication, 'The Essential Trustee'.

Governors are expected to attend subcommittee meetings (depending on their skills; see subcommittee details below) as required and to attend termly Board Meetings. Governors are encouraged to visit the School during term time, to meet the pupils, Headmaster, Bursar and Senior Leadership Team.

Training, after appointment, is provided by comprehensive mailing of information relevant to the School's day to day activities and by a formal training session held each year at a board meeting. The Chairman of Governors attends an outside training course run by IAPS (Independent Association of Preparatory Schools) during the first year of office. Governors are encouraged to visit the Charity Commission website for up to date information.

Key executives, professional advisers and contact information:

Headmaster	Mr A E Floyd
Bursar and Company Secretary	Mr P I Walker (appointed 22 April 2024)
Senior Leadership Team	Mr A Duggan, Miss S C Fowler, Ms A M Gallagher, Mr M W Goldhawk, Mrs K-A Kirkman, Mr A J Morris, Mr A W Raja, Mr R Skottowe, Mrs F E Westwood.
Address and Registered Office	The Hawthorns Educational Trust Limited T/A The Hawthorns School Pendell Court Betchingley, Surrey RH1 4QJ

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2024

Bankers	Lloyds Bank plc 1 London Road Redhill Surrey RH1 1ND
Auditors	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
School Website	<a href="http://www.hawthorns.com">www.hawthorns.com</a>
Email	office@hawthorns.com

### **Organisational management**

The Governors determine the general policy of the Trust. The key management personnel of the School are the Governors, the Headmaster, the Bursar and the Senior Leadership Team. The Governors meet, as a body, at least once each term. Various sub-committees meet to deal with matters during the year as required. At the date of signing these accounts the sub-committees comprise:

#### **Education subcommittee**

SE Raja (Chair), SJO Roche, the Headmaster and other senior School staff. This committee works to improve the quality of education in the School.

#### **Finance and General Purposes subcommittee**

DWJ Searle (Chairman), BJC Dyer, MJ Dockery, RHC Kirkland, Mr HJW Oliver, the Headmaster and the Bursar. This committee covers The Hawthorns Foundation, finance, estates, staffing and general management of the School.

#### **Marketing subcommittee**

BJC Dyer (Chairman), the Headmaster and other School personnel as appropriate. This committee deals with the marketing and presentation of the School.

#### **Health and Safety subcommittee**

MJ Dockery (Chairman), the Bursar and other School staff. This committee is responsible for agreeing health and safety policies and strategy across the School.

#### **Safeguarding & HR subcommittee**

RJ Buckingham (Chairman), MB Tinker, the Headmaster, the Bursar and other senior School staff. This committee is responsible for safeguarding, recruitment, welfare and retention of employees of the School.

The remuneration of the Headmaster and the Bursar is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

## **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The objects are set out in the Memorandum of Association as the education of girls and boys aged 2 to 13. It is the aim of the Trust, as an independent educational establishment, to lay academic, physical and moral foundations of the highest quality. These foundations will equip the School's pupils with self-confidence and a desire to contribute to the wider community and, in preparing them for the next stage of their education, will enable them to face and overcome the many challenges of life ahead.

In setting objectives and planning activities, the Governors have given due consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

## **STRATEGIC REVIEW**

### **Achievements and Performance**

The School enjoyed a successful academic year with over 31% of leavers being awarded scholarships to join their senior school. School Development Plans have been focused upon the completion of a new Nursery building and the extension of nursery provision.

In the School, Pupils have continued to enjoy success in a wide variety of sports, activities, and creative pursuits. The all-round education that the Hawthorns seeks to deliver continues to result in high levels of pupil success.

Efforts continue to ensure that no suitable pupil is denied an education at the School on the grounds of affordability. Accordingly, the Governors are pleased to offer means-tested bursaries (assisted places) to parents with limited income. During the year bursary awards were made to 8 pupils (2023: 11) and their value was £89,011 (2023: £118,560).

### **Post Balance Sheet event**

The Governors are considering a strategic alliance with Caterham School. Significant recent external events, including the imposition of VAT on school fees, the removal of business rates relief and increases in costs of employing staff have given the School significant challenges which are best met from a position of financial strength. The Governors collectively have concluded that a combination with Caterham School will result in a group better able to provide the outstanding education that our pupils deserve.

### **Financial Review**

The Trust received total income of £8,441,379 (2023: £8,263,579) and the consolidated net incoming resources for the year amounted to £15,363 (2023: net incoming resources of £854,785). Total funds carried forward were £7,076,599 which includes £25,000 of restricted funds (2023: £7,061,236 which included £220,479 of restricted funds). The balance of £7,051,599 is held as unrestricted funds (2023: £6,840,757).

Capital expenditure has been undertaken to make improvements to the School facilities. This amounted to £627,904 during the year (2023: £2,189,075). There is a plan of continuous upgrading of the School's facilities to keep pace with the requirements of a leading pre-preparatory and preparatory school.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2024

### **Investment in subsidiary**

The Trust owns 100% of the shares of its subsidiary company, The Hawthorns (Pendell Court) Limited, which in turn owns the freehold of the premises occupied by the Trust. The accounts consolidate the financial statements of both companies.

The subsidiary is a non-trading company and the latest un-audited accounts have been made up to 5 April 2024 and it is these accounts that have been used in the consolidation. Both companies are incorporated in the United Kingdom and registered in England and Wales.

### **Reserves policy**

All unrestricted funds are used to finance building development projects and generally improve the overall facilities of the School. Donations towards specific projects are included within restricted funds. Donations to The Hawthorns Foundation are allocated to restricted funds. General donations are allocated to unrestricted funds. The Governors have assessed the assets available and the obligations of the Trust and have concluded that the assets are sufficient to meet its obligations, based on current operations and pupil numbers.

### **Plans for Future Periods**

The School is planning ahead and examining ways in which it could adapt to the change in taxation imposed by the new government. The priority for the School must be the development of a sustainable financial model given that that Business Rate Tax Relief will be withdrawn, VAT will be imposed upon school fees and employment taxes will rise significantly. Consequently, all plans focus on ensuring the School is in the best position to offer an excellent education at an affordable price.

The School has been active in ensuring that all new families are welcomed and enjoy a Hawthorns education for their child. The School's marketing and admission policy has ensured that the School represents the ethnicity of the local area. The School sees that this year 24% of its intake comes from ethnically diverse families. The EDI committees (staff and parents) review and monitor ways in which the School can learn and become more inclusive.

### **Principal Risks and Uncertainties**

The Governors assess the major risks to which the School is exposed, particularly relating to its operations and finances, on a regular basis. The most significant risk is considered to be a possible fall in the number of pupils attending the School, especially in with high cost of living landscape, the imposition of VAT on and other costs affecting school fees and a declining birth rate.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2024

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors, who are also the directors of The Hawthorns Educational Trust Limited for the purposes of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and its subsidiary and of the incoming resources and application of resources, including the income and expenditure, of the group for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**AUDITORS**

A resolution proposing the re-appointment of TC Group as auditors to the company will be put to the annual general meeting.

This report, incorporating the Strategic Report, was approved by the Board of Governors on 7<sup>th</sup> December 2024 and signed on behalf of the Board.



BJC Dyer  
Chair of Governors

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2024

## **Opinion**

We have audited the financial statements of The Hawthorns Educational Trust Limited (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 August 2024. 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 group's and the parent 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the governors' 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 doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2024

**Other information**

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

**Opinions 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 Governors' annual report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 8, the Governors (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 Governors 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2024

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the Governors' and other management (as required by auditing standards), and discussed with the Governors' and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, school inspections, keeping children safe in education (statutory guidance), DBS checks and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2024

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

**Mark Cummins FCCA (Senior Statutory Auditor)**  
for and on behalf of TC Group  
**Statutory Auditors**  
Office: Steyning, West Sussex

Dated: 13 March 2025

The Hawthorns Educational Trust Limited  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Income & Expenditure Account)  
Year Ended 31 August 2024

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
<b>INCOME FROM:</b>					
Donations and legacies		495	-	495	1,000
<b>Charitable activities</b>					
Fees receivable	3	7,781,704	-	7,781,704	7,231,883
<b>Other trading activities</b>					
Sports Centre	4	658,985	-	658,985	591,727
Protection fees		195	-	195	155
Other income	5	-	-	-	438,814
<b>Total Income</b>		<b>8,441,379</b>	<b>-</b>	<b>8,441,379</b>	<b>8,263,579</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Sports Centre		659,536	-	659,536	690,025
<b>Charitable Activities</b>					
Education		7,766,480	-	7,766,480	6,718,769
<b>Total Expenditure</b>	6	<b>8,426,016</b>	<b>-</b>	<b>8,426,016</b>	<b>7,408,794</b>
<b>NET INCOME</b>		<b>15,363</b>	<b>-</b>	<b>15,363</b>	<b>854,785</b>
Transfer between funds	16	195,479	(195,479)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>210,842</b>	<b>(195,479)</b>	<b>15,363</b>	<b>854,785</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		6,840,757	220,479	7,061,236	6,206,451
<b>Total funds carried forward</b>		<b>7,051,599</b>	<b>25,000</b>	<b>7,076,599</b>	<b>7,061,236</b>

This statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All activities are classed as continuing.

There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED BALANCE SHEET**  
As at 31 August 2024

	Notes	£	2024 £	£	2023 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		9,834,998		9,650,894
<b>CURRENT ASSETS</b>					
Debtors	12	1,778,461		1,896,240	
Cash at bank and in hand		<u>2,017,712</u>		<u>1,254,269</u>	
Total Current Assets		3,796,173		3,150,509	
Creditors, due within one year	13	<u>(3,652,997)</u>		<u>(3,517,721)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<b>143,176</b>		<b>(367,212)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		<u>(2,901,575)</u>		<u>(2,222,446)</u>
<b>TOTAL NET ASSETS</b>			<b><u>7,076,599</u></b>		<b><u>7,061,236</u></b>
<b>Represented by</b>					
Unrestricted Fund	17		7,051,599		6,840,757
Restricted Fund	16		<u>25,000</u>		<u>220,479</u>
<b>TOTAL NET FUNDS</b>			<b><u>7,076,599</u></b>		<b><u>7,061,236</u></b>

These accounts were approved by the board on

7<sup>th</sup> DECEMBER 2024

B J C Dyer

  
Chair

D W J Searle

  
Governor

Company number 00949504.

The Hawthorns Educational Trust Limited  
**COMPANY BALANCE SHEET**  
As at 31 August 2024

	Notes	£	2024 £	£	2023 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		9,724,998		9,540,894
Investment in subsidiary	11		<u>71,534</u>		<u>71,534</u>
			<b>9,796,532</b>		<b>9,612,428</b>
<b>CURRENT ASSETS</b>					
Debtors	12	1,778,437		1,941,492	
Cash at bank and in hand		<u>2,017,712</u>		<u>1,254,269</u>	
Total Current Assets		3,796,149		3,195,761	
Creditors, due within one year	13	<u>(3,652,757)</u>		<u>(3,517,481)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<b>143,392</b>		<b>(321,720)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		<u>(2,901,575)</u>		<u>(2,222,446)</u>
<b>TOTAL NET ASSETS</b>			<b><u>7,038,349</u></b>		<b><u>7,068,262</u></b>
<b>Represented by</b>					
Unrestricted Fund	17		7,013,349		6,847,783
Restricted Fund	16		<u>25,000</u>		<u>220,479</u>
<b>TOTAL NET FUNDS</b>			<b><u>7,038,349</u></b>		<b><u>7,068,262</u></b>

These accounts were approved by the board on

7<sup>TH</sup> DECEMBER 2024

B J C Dyer

  
Chair

D W J Searle

  
Governor

Company number 00949504.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 August 2024

	£	2024 £	£	2023 £
<b>Cash flows from operating activities:</b>				
Net income/expenditure for the year	15,363		854,785	
<b>Adjustments for:</b>				
Depreciation	443,978		419,989	
Interest payable	184,043		57,880	
Decrease/(Increase) in debtors	117,779		(110,634)	
Increase in creditors	440,421		225,323	
<b>Net cash provided by operating activities</b>		1,201,584		1,447,343
<b>Cash flows from investing activities</b>				
Purchase of tangible fixed assets	(627,904)		(2,189,075)	
<b>Net cash used in investing activities</b>		(627,904)		(2,189,075)
<b>Cash flows from financing activities</b>				
Cash inflows from new borrowing	443,076		1,851,236	
Repayments of borrowing	(69,270)		(119,439)	
Interest payable	(184,043)		(57,880)	
<b>Net cash provided by financing activities</b>		189,763		1,673,917
<b>Change in cash and cash equivalent in the year</b>		763,443		932,185
<b>Cash and cash equivalents at the beginning of the year</b>		1,254,269		322,084
<b>Cash and cash equivalents at the end of the year</b>		<b>2,017,712</b>		<b>1,254,269</b>
<b>Analysis of cash and cash equivalents</b>				
Cash at bank and in hand		2,017,712		1,254,269
Bank loans within one year		(67,520)		(180,659)
Bank loans after one year		(2,593,077)		(2,105,954)
<b>Total cash and cash equivalents</b>		<b>(642,885)</b>		<b>(1,032,344)</b>

## 1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Governors' annual report.

## 2 ACCOUNTING POLICIES

### **Basis of preparation**

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS 102)) and Financial Reporting Standard 102.

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

After reviewing the charity's forecasts and projections, the Governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its accounts.

### **Currency**

The Group presents its accounts in Sterling and figures are rounded to the nearest £.

### **Group accounts**

The accounts consolidate the results of the charity and its wholly owned subsidiary The Hawthorns (Pendell Court) Limited on a line by line basis. A separate Statement of Financial Activities (including income and expenditure account) for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The subsidiary is a non-trading company. Its latest un-audited accounts have been made up to 5 April 2024 and it is these accounts that have been used in the consolidation.

### **Income**

Donations received for the general purposes of the School are credited to unrestricted funds except insofar as they are incapable of financial measurement. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the charity.

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded. They are stated after deducting bursaries, scholarships and other fee remissions granted by the School.

Sports centre, rental and investment income are accounted for in the period in which they are receivable. Other incoming resources are accounted for when received.

### **Expenditure**

Expenditure is accounted for on an accruals basis, with value added tax included within the item of expense to which it relates. Overhead and other costs not directly attributable to a particular functional activity category are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the cost of board and committee meetings and of preparing statutory accounts and satisfying public accountability.

Irrecoverable VAT is attributed directly to the cost to which it relates.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**Assets**

Fixed assets are shown on the balance sheet at cost less accumulated depreciation. Current assets are shown at the lower of cost and net realisable value.

**Depreciation**

Depreciation is provided on fixed assets to write off their cost over their estimated useful lives at the following rates:

Freehold and short leasehold property	2% to 10% straight line
Electrical, computer & garden equipment	20% straight line
Fixtures, fittings, tools & equipment	10% straight line

**Pension schemes**

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The Teachers' Pension Scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 102, the Teachers' Pension Scheme is a multi-employer pension scheme. The school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to personal pension schemes for non-teaching staff. Teachers that joined the school from September 2022 are part of this scheme.

**Operating lease rentals**

Rentals paid in respect of assets held under operating leases are taken to the Statement of Financial Activities as they fall due.

**Investments**

Investments consist of a shareholding in the group subsidiary and are held at cost.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments. The Governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Debtors**

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

**Fund accounting**

Unrestricted funds comprise those funds which can be used in accordance with the charitable objectives at the discretion of the Governors.

Restricted funds are those funds which can be used in accordance with the specific restrictions imposed by the donor or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds and the School reimburses the costs from unrestricted funds. The aim and use of each restricted fund is set out further in the notes to the accounts.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**Turnover**

The turnover of the charity is wholly attributable to the object of the charity as stated in the Governors' Report and is earned entirely within the UK.

**Taxation**

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

Deferred taxation in the subsidiary company arising on the valuation of the freehold is not provided for as, in the opinion of the directors of the Group, the liability is unlikely to arise.

**Critical accounting estimates and judgements**

In the application of the Group's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Governors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

<b>3 Income from Charitable Activities</b>	2024	2023
	£	£
Gross fees	7,806,427	7,239,896
Less: bursaries, scholarships and discounts	<u>(424,463)</u>	<u>(428,791)</u>
	7,381,964	6,811,105
Extras	<u>399,740</u>	<u>420,778</u>
	<u><u>7,781,704</u></u>	<u><u>7,231,883</u></u>
<b>4 Income from Other Trading Activities</b>	2024	2023
	£	£
Sports lettings	87,165	80,823
Sports coaching	355,171	295,915
Camp Hawthorns	207,260	206,636
Other trading	8,470	8,353
Total Sports Centre income	<u>658,066</u>	<u>591,727</u>
Other lettings and activities	919	-
	<u><u>658,985</u></u>	<u><u>591,727</u></u>
<b>5 Other income</b>	2024	2023
	£	£
Proceeds from sale of West Lodge (from subsidiary accounts)	<u>-</u>	<u>438,814</u>
	<u><u>-</u></u>	<u><u>438,814</u></u>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**6 Analysis of Expenditure**

	Staff Costs	Other	Depreciation	Total 2024	Total 2023
	£	£	£	£	£
<b>Cost of raising funds</b>					
Lettings (inc. Sports Centre exp)	364,697	294,839	-	659,536	690,025
<b>Total cost of raising funds</b>	<u>364,697</u>	<u>294,839</u>	<u>-</u>	<u>659,536</u>	<u>690,025</u>
Teaching	4,212,427	377,215	179,076	4,768,718	4,048,335
Welfare	28,371	615,291	-	643,662	631,377
Premises	210,355	656,217	264,724	1,131,296	970,365
Finance costs	-	198,628	-	198,628	121,063
Support and Governance	476,892	547,284	-	1,024,176	947,629
<b>Total charitable expenditure</b>	<u>4,928,045</u>	<u>2,394,635</u>	<u>443,800</u>	<u>7,766,480</u>	<u>6,718,769</u>
<b>Total Expenditure</b>	<u><u>5,292,742</u></u>	<u><u>2,689,474</u></u>	<u><u>443,800</u></u>	<u><u>8,426,016</u></u>	<u><u>7,408,794</u></u>

**Analysis of support and Governance costs**

	2024	2023
	£	£
<b>Governance costs:</b>		
Auditors' remuneration for audit services	15,000	13,440
	<u>15,000</u>	<u>13,440</u>
<b>Support costs:</b>		
Auditors' remuneration for non audit services	14,388	11,736
Support staff wages, national insurance and pension	476,892	466,269
Other support costs	517,896	456,184
	<u>1,024,176</u>	<u>947,629</u>

Net Income is stated after charging £42,538 (2023: £42,856) to operating lease rentals included within premises costs.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**7 Comparative Statement of Financial Activities – Year Ended 31 August 2023**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<b>INCOME FROM:</b>			
<b>Donations and legacies</b>	-	1,000	1,000
<b>Charitable activities</b>			
Fees receivable	7,231,883	-	7,231,883
<b>Other trading activities</b>			
Sports Centre	591,727	-	591,727
Protection fees	155	-	155
Other income	438,814	-	438,814
	<u>8,262,579</u>	<u>1,000</u>	<u>8,263,579</u>
<b>Total Income</b>			
<b>EXPENDITURE ON:</b>			
<b>Raising funds</b>			
Sports Centre	690,025	-	690,025
<b>Charitable Activities</b>			
Education	6,718,769	-	6,718,769
	<u>7,408,794</u>	<u>-</u>	<u>7,408,794</u>
<b>Total Expenditure</b>			
<b>NET INCOME</b>	<b>853,785</b>	<b>1,000</b>	<b>854,785</b>
Transfers between funds	99,491	(99,491)	-
	<u>953,276</u>	<u>(98,491)</u>	<u>854,785</u>
<b>Net movement in funds</b>			
Fund balances brought forward	5,887,481	318,970	6,206,451
	<u>6,840,757</u>	<u>220,479</u>	<u>7,061,236</u>
<b>Fund balances carried forward</b>			

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**8 Staff Costs**

	2024	2023
	£	£
Salaries and wages	4,170,437	3,706,795
Social security costs	393,627	358,816
Pension costs	728,678	581,024
	<u>5,292,742</u>	<u>4,646,635</u>

Number of employees whose emoluments for the year exceeded £60,000	2024	2023
£60,000 to £69,999	3	4
£70,000 to £79,999	2	-
£90,000 to £99,999	-	1
£150,000 to £159,999	1	1

Contributions totalling £115,826 (2023: £97,506) were made during the year to a pension scheme on behalf of the above employees.

The average monthly headcount was 149 staff (2023: 138 staff) and the average monthly number of full time equivalent employees during the year was:

	2024	2023
Teaching and teaching assistants (term time)	74	63
Others (administration, kitchen, maintenance and sports centre)	28	33
	<u>102</u>	<u>96</u>

The key management personnel of the school are detailed in the Governors' Report.

	2024	2023
	£	£
Aggregate employee benefits of key management personnel	<u>1,049,668</u>	<u>948,542</u>

None of the Governors received any remuneration or other benefits from the school or any connected body.

**9 Operating Surplus**

	2024	2023
	£	£
Included within the operating surplus for the year are the following:		
<b>Charitable Activities - Education</b>		
Operating lease rentals (inc. VAT)	42,538	42,856
<b>Governance</b>		
Auditors' fees – audit services (inc. VAT)	15,000	13,440
Auditors' fees – other services (inc. VAT)	14,388	11,736

As described in the notes to the accounts, no separate Statement of Financial Activities has been prepared for the School alone. The School contributed a deficit of £29,913 to the surplus of the Group for the year (2023: £415,971 to the surplus).

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**10 Tangible Fixed Assets**

The movement of tangible fixed assets was as follows:

<b>THE GROUP</b>	Freehold property	Electrical, computer & garden equipment	Fixtures, fittings, tools & equipment	TOTAL
	£	£	£	£
<b>Cost</b>				
At beginning of year – as restated	13,242,620	480,162	928,988	14,651,770
Additions	598,435	17,969	11,500	627,904
At end of year	<u>13,841,055</u>	<u>498,131</u>	<u>940,488</u>	<u>15,279,674</u>
<b>Accumulated Depreciation</b>				
At beginning of year – as restated	4,038,608	416,552	545,716	5,000,876
Charge for year	338,268	12,633	92,899	443,800
At end of year	<u>4,376,876</u>	<u>429,185</u>	<u>638,615</u>	<u>5,444,676</u>
<b>Net Book Value</b>				
At beginning of year	<u>9,204,012</u>	<u>63,610</u>	<u>383,272</u>	<u>9,650,894</u>
At end of year	<u>9,464,179</u>	<u>68,946</u>	<u>301,873</u>	<u>9,834,998</u>

**THE COMPANY**

<b>Cost</b>				
At beginning of year – as restated	13,132,620	480,162	928,988	14,541,770
Additions	598,435	17,969	11,500	627,904
At end of year	<u>13,731,055</u>	<u>498,131</u>	<u>940,488</u>	<u>15,169,674</u>
<b>Accumulated Depreciation</b>				
At beginning of year – as restated	4,038,608	416,552	545,716	5,000,876
Charge for year	338,268	12,633	92,899	443,800
At end of year	<u>4,376,876</u>	<u>429,185</u>	<u>638,615</u>	<u>5,444,676</u>
<b>Net Book Value</b>				
At beginning of year	<u>9,094,012</u>	<u>63,610</u>	<u>383,272</u>	<u>9,540,894</u>
At end of year	<u>9,354,179</u>	<u>68,946</u>	<u>301,873</u>	<u>9,724,998</u>

The freehold property shown in the accounts of the company relates to improvements made to the freehold property owned by the subsidiary company and is therefore added to freehold property in the accounts of the group. The market value of freehold properties is estimated by the Governors to be in excess of the book value at the year end.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**11 Investment in Subsidiary**

	2024 £	2023 £
Shares at cost	71,534	71,534

The Company owns 100% of the shares of the subsidiary company The Hawthorns (Pendell Court) Limited, company number 700823, which owns the freehold of the premises occupied by the Trust. Both companies are incorporated in the United Kingdom and registered in England and Wales.

The trading results of The Hawthorns (Pendell Court) Limited for the year ended 5 April 2024 are:

Profit for the year	£Nil
Capital and Reserves	£64,507

**12 Debtors**

	The Group		The Company	
	2024 £	2023 £	2024	2023
Fees receivable	1,623,511	1,737,613	1,623,487	1,737,589
Other debtors	14,325	16,157	14,325	16,157
Prepayments	140,625	142,470	140,625	142,470
Loan to subsidiary company	-	-	-	45,276
<b>TOTAL</b>	<b>1,778,461</b>	<b>1,896,240</b>	<b>1,778,437</b>	<b>1,941,492</b>

**13 Creditors due within one year**

	The Group		The Company	
	2024 £	2023 £	2024 £	2023 £
Fees charged in advance	2,625,173	2,338,080	2,625,173	2,338,080
Bank loans and overdrafts	67,520	180,659	67,520	180,659
Other creditors and school fees received in advance (Note 15)	717,408	975,186	717,168	974,946
Accruals	242,896	23,796	242,896	23,796
<b>TOTAL</b>	<b>3,652,997</b>	<b>3,517,721</b>	<b>3,652,757</b>	<b>3,517,481</b>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**14 Creditors due after more than one year**

	The Group		The Company	
	2024 £	2023 £	2024 £	2023 £
Long term loans	2,593,077	2,105,954	2,593,077	2,105,954
Advanced Fees Payments Scheme due more than one year	308,498	116,492	308,498	116,492
<b>TOTAL</b>	<b>2,901,575</b>	<b>2,222,446</b>	<b>2,901,575</b>	<b>2,222,446</b>
<b>Loan maturity analysis</b>				
Repayable in less than 1 year (Note 13)	67,520	180,659	67,520	180,659
Repayable in 1-2 years	250,311	225,914	250,311	225,914
Repayable in 2-5 years	302,705	475,348	302,705	475,348
Repayable in over 5 years	2,348,559	1,404,692	2,348,559	1,404,692
<b>TOTAL</b>	<b>2,969,095</b>	<b>2,286,613</b>	<b>2,969,095</b>	<b>2,286,613</b>

During the year, the Trust refinanced their existing loans into one loan. Interest on the loan is charged at 2.55% above Base rate. The loan is repayable in February 2043.

Total loan repayments during the year were £69,270 (2023: £119,439).

The Trust also has a Bank overdraft facility. The loans and the overdraft are secured by a fixed and floating charge on the Group's freehold property. The overdraft was not being used at the year end.

**15 Advanced Fees Payment Scheme**

Parents may enter into a contract to pay the School tuition fees in advance. The money may be returned, subject to specific conditions, upon the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as below:

	2024 £	2023 £
Due within one year	291,894	57,740
Advanced Fees Payments Scheme due more than one year	308,498	116,492
<b>TOTAL</b>	<b>600,392</b>	<b>174,232</b>

The balance represents the accrued liability under the contracts.

The movements during the year were:

	2024 £	2023 £
Balance at beginning of the year	174,232	281,658
Amounts received during the year	597,968	16,508
Amounts credited to pupil accounts for fees	(171,808)	(123,934)
<b>Balance at end of year</b>	<b>600,392</b>	<b>174,232</b>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**16 Restricted Fund**

The Hawthorns Foundation provides a long term fund to assist the School with bursary awards and to provide funds for specific capital projects. Donations are received predominantly from current and former parents and from Old Hawthornians.

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2024 £
The Hawthorns Foundation	220,479	-	-	(195,479)	25,000
<b>Designation of Fund</b>					
Capital Projects Fund	183,149	-	-	(158,149)	25,000
Endowment Fund	37,330	-	-	(37,330)	-
<b>TOTAL</b>	<b>220,479</b>	<b>-</b>	<b>-</b>	<b>(195,479)</b>	<b>25,000</b>

The School contributed £Nil (2023: £Nil) towards the running costs of The Hawthorns Foundation.

**17 Unrestricted Fund**

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2024 £
Unrestricted	6,401,943	8,441,379	(8,426,016)	634,293	7,051,599
Designated	438,814	-	-	(438,814)	-
<b>The Group</b>	<b>6,840,757</b>	<b>8,441,379</b>	<b>(8,426,016)</b>	<b>195,479</b>	<b>7,051,599</b>
Unrestricted	6,408,969	8,441,379	(8,471,292)	634,293	7,013,349
Designated	438,814	-	-	(438,814)	-
<b>The Company</b>	<b>6,847,783</b>	<b>8,441,379</b>	<b>(8,471,292)</b>	<b>195,479</b>	<b>7,013,349</b>

Designated funds represents funds allocated by the governors for roof repairs. Transfers represents the amounts spent during the year.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2024

**18 Net Assets Between Funds of the Group**

		Unrestricted	Restricted	Group
		£	£	£
<b>At 31 August 2024</b>				
Fixed Assets		9,834,998	-	9,834,998
Current Assets		3,771,173	25,000	3,796,173
Current Liabilities		(3,652,997)	-	(3,652,997)
Long-term Liabilities		(2,901,575)	-	(2,901,575)
		<u>7,051,599</u>	<u>25,000</u>	<u>7,076,599</u>
<b>At 31 August 2023</b>				
	Designated	Unrestricted	Restricted	Group
	£	£	£	£
Fixed Assets	-	9,650,894	-	9,650,894
Current Assets	438,814	2,491,216	220,479	3,150,509
Current Liabilities	-	(3,517,721)	-	(3,517,721)
Long-term Liabilities	-	(2,222,446)	-	(2,222,446)
	<u>438,814</u>	<u>6,401,943</u>	<u>220,479</u>	<u>7,061,236</u>

**19 Operating Leases**

Total lease commitments for assets held under operating leases are £266,646 (2023: £36,348).

	2024	2023
	£	£
Within one year	72,873	32,754
Between two and five years	<u>193,773</u>	<u>3,594</u>
	<u>266,646</u>	<u>36,348</u>

**20 Governors' Remuneration, Reimbursement of expenses and Interests in Contracts**

No remuneration was provided to any Governors during the year. No governors were reimbursed travel expenditure during the year (2023: £Nil).

Mr B J C Dyer, the Chair of Governor, was a director of Bradley Dyer Raw Limited that the company provides advertising production service worth of £11,772 (2023: £7,292) to The Hawthorns School. These services are provided at preferential rates.

**21 Pension Costs**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £479,046 (2023: £454,451) and at the year-end £Nil (2023 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## **21 Pension Costs (continued)**

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employers contribution rate of 28.68%. With effect from 1 September 2024, participants in the TPS are required to take a 3.5% salary cut to remain in the scheme so that the rise in employer contributions is cost neutral to the School, or move to the defined contribution scheme as described below.

The School also operates a defined contribution pension scheme for non-TPS staff. The pension charge for the year includes contributions payable to this scheme of £249,632 (2023: £126,573) and at the year-end £Nil (2023: £Nil) was accrued in respect of contributions to this scheme. Teachers that joined the school from September 2022 are part of this scheme, as the school introduced a phased withdrawal from the Teachers' Pension Scheme.

## **22 Control**

The company is limited by guarantee with no one member having overall control.

## **23 Capital commitments**

Amounts contracted for but not provided in the financial statements are £51,253 plus VAT (2023: £154,596 plus VAT) in relation to the New Nursery Building.

## **24 Post Balance Sheet Events**

Post year end, The Hawthorns Educational Trust Limited announced that it would be joining the Caterham School group of schools. From the completion date, Caterham School will become the sole trustee of The Hawthorns Educational Trust Limited.



**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

England & Wales - Charity number 312067

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# Accounts

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THE  
HAWTHORNS  
SCHOOL

**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

(a Registered Charity and Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School

**GOVERNORS' ANNUAL REPORT AND AUDITED  
CONSOLIDATED ACCOUNTS**

**For the year ended 31 August 2023**

Company Registration Number-00949504

Charity Commission Registration-Number-312067

The Hawthorns Educational Trust Limited

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The Hawthorns Educational Trust Limited

## **GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**

Year Ended 31 August 2023

The Governors (who are also directors of the Charity for the purposes of the Companies Act) present their Annual Report, together with the Audited Accounts of The Hawthorns Educational Trust Limited (the Company) for the year ended 31 August 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the School's Memorandum and Articles of Association, and 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 2015).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hawthorns School was founded in 1926. The Hawthorns School Educational Trust Limited (the Trust) is a company limited by guarantee, number 00949504, and was registered at Companies House on 7 March 1969. The Trust is a registered charity, number 312067, registered at the Charity Commission on 7 May 1970. The charity is governed by its Memorandum and Articles of Association dated 7 May 1970. The charity operates The Hawthorns School, a co- educational pre-preparatory and preparatory school for pupils aged 2 to 13, in Betchingley, Surrey.

#### **Governors**

The Governors, who are the directors of the Group for the purposes of company law, and are the charity trustees, for the purposes of charity law, during the year and since, were as follows:

Mr BJC Dyer \*  
Mr LWJ Baart \*  
Mr RJ Buckingham \*  
Mr MJ Dockery \*  
Mr KE Kahwa \*\* (resigned 31<sup>st</sup> August 2023)  
Mr RHC Kirkland \*  
Mr HJW Oliver \*  
Mrs SE Raja \* \*\*  
Mr SJO Roche \*  
Mr DWJ Searle \* \*\*  
Mr MB Tinker \*

\* Governor, director and charity trustee at date of signing these accounts.

\*\* Parent of current pupil at date of signing these accounts.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2023

**Governing body**

Governors are elected by the governing body. At each annual general meeting the nearest number to one third of the total Governors retire and are eligible for re-election. The Governors to retire each year are those who have been longest in office since their last election.

In order to maintain a broad skill mix, Governors are selected from a wide range of professions and, in the event of particular skills being lost due to retirement; individuals with the requisite skills are approached to offer themselves for election to the governing body.

Governors derive no financial benefit from their office other than as shown in the notes to the accounts, but are reimbursed for any travel or administrative expenses.

The Group benefits from the generous giving of their time and it is estimated that during the year over 750 hours have been spent by the Governors on governance matters.

**Governor induction and training**

Governor induction, following appointment, comprises the review of a portfolio of documentation covering all aspects of the Group, including the most recent audited accounts, the Memorandum and Articles of Association, copies of Board Meeting Minutes, School Prospectus, recent newsletters to parents, staff lists with responsibilities, governance documentation with sub-committee details and a copy of the Charity Commission publication, 'The Essential Trustee'.

Governors are expected to attend subcommittee meetings (depending on their skills; see subcommittee details below) as required and to attend termly Board Meetings. Governors are encouraged to visit the School during term time, to meet the pupils, Headmaster, Bursar and Senior Leadership Team.

Training, after appointment, is provided by comprehensive mailing of information relevant to the School's day to day activities and by a formal training session held each year at a board meeting. The Chairman of Governors attends an outside training course run by IAPS (Independent Association of Preparatory Schools) during the first year of office. Governors are encouraged to visit the Charity Commission website for up to date information.

Key executives, professional advisers and contact information:

Headmaster	Mr A E Floyd
Bursar and Company Secretary	Mr D St John Parker
Senior Leadership Team	Mr A Duggan, Miss S C Fowler, Ms A M Gallagher (appointed 30 <sup>th</sup> May 2023), Mr M W Goldhawk, Mrs K-A Kirkman (appointed 1 <sup>st</sup> September 2022), Mr A J Morris, Mr A W Raja, Mr R Skottowe, Mrs F E Westwood.
Address and Registered Office	The Hawthorns Educational Trust Limited T/A The Hawthorns School Pendell Court Bletchingley, Surrey RH1 4QJ
Bankers	Lloyds Bank plc 1 London Road Redhill Surrey RH1 1ND

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2023

Auditors	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
School Website	<a href="http://www.hawthorns.com">www.hawthorns.com</a>
Email	office@hawthorns.com

### **Organisational management**

The Governors determine the general policy of the Trust. The key management personnel of the School are the Governors, the Headmaster, the Bursar and the Senior Leadership Team. The Governors meet, as a body, at least once each term. Various sub-committees meet to deal with matters during the year as required. At the date of signing these accounts the sub-committees comprise:

#### **Education subcommittee**

SE Raja (Chair), SJO Roche, the Headmaster and other senior School staff. This committee works to improve the quality of education in the School.

#### **Finance and General Purposes subcommittee**

DWJ Searle (Chairman), LWJ Baart, BJC Dyer, MJ Dockery, RHC Kirkland, Mr HJW Oliver, the Headmaster and the Bursar. This committee covers The Hawthorns Foundation, finance, estates, staffing and general management of the School.

#### **Marketing subcommittee**

BJC Dyer (Chairman), the Headmaster, other School personnel as appropriate and co-opted parents. This committee deals with the marketing and presentation of the School.

#### **Health and Safety subcommittee**

MJ Dockery (Chairman), the Bursar and other School staff. This committee is responsible for agreeing health and safety policies and strategy across the School.

#### **Safeguarding & HR subcommittee**

RJ Buckingham (Chairman), MB Tinker, the Headmaster, the Bursar and other senior School staff. This committee is responsible for safeguarding, recruitment, welfare and retention of employees of the School.

The remuneration of the Headmaster and the Bursar is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2023  
**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The objects are set out in the Memorandum of Association as the education of girls and boys aged 2 to 13. It is the aim of the Trust, as an independent educational establishment, to lay academic, physical and moral foundations of the highest quality. These foundations will equip the School's pupils with self-confidence and a desire to contribute to the wider community and, in preparing them for the next stage of their education, will enable them to face and overcome the many challenges of life ahead.

In setting objectives and planning activities, the Governors have given due consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

## **STRATEGIC REVIEW**

### **Achievements and Performance**

The School enjoyed a successful academic year with over 40% of leavers being awarded scholarships to join their senior school. School Development Plans have been focused upon the completion of a new Nursery building and the extension of nursery provision.

In the School, Pupils have continued to enjoy success in a wide variety of sports, activities, and creative pursuits. The all-round education that the Hawthorns seeks to deliver continues to result in high levels of pupil success.

Efforts continue to ensure that no suitable pupil is denied an education at the School on the grounds of affordability. Accordingly, the Governors are pleased to offer means-tested bursaries (assisted places) to parents with limited income. During the year bursary awards were made to 11 pupils (2022: 6) and their value was £118,560 (2022: £67,437). In total, financial support of all kinds during the year was 5.9% of gross fee income (2022: 5.3%).

### **Post Balance Sheet event**

At the end of August 2023, the School completed a project to build a new Nursery to replace an existing building. The new Nursery will cater for children aged from 6 months and will operate all year round. Regulatory requirements meant that the new building could only open for those aged 2 and above at the start of the new academic year 2023/24. However, Ofsted visited in early November 2023 and issued the necessary Certificate of Registration (2752585) to allow the School to register children aged between 6 months and 2 years old.

### **Financial Review**

The Trust received total income of £8,263,579 (2022: £6,834,262) and the consolidated net incoming resources for the year amounted to £854,785 (2022: net incoming resources of £98,518). The results for the year include the net proceeds of £438,814 from the sale of West Lodge and the net incoming resources from restricted funds of £1,000 (2022: net incoming resources of £NIL) for The Hawthorns Foundation. A transfer from restricted funds of £99,491 took place in the year to recognise the utilisation of the Bursary funds in the year. Total funds carried forward were £7,061,236 which includes £220,479 of restricted funds (2022: £6,206,451 which included £318,970 of restricted funds). The balance of £6,840,757 is held as unrestricted funds (2022: £5,887,481).

Capital expenditure has been undertaken to make improvements to the School facilities, and to build a new nursery. This amounted to £2,189,075 during the year (2022: £260,867). There is a plan of continuous upgrading of the School's facilities in order to keep pace with the requirements of a leading pre-preparatory and preparatory school.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2023  
**Investment in subsidiary**

The Trust owns 100% of the shares of its subsidiary company, The Hawthorns (Pendell Court) Limited, which in turn owns the freehold of the premises occupied by the Trust. The accounts consolidate the financial statements of both companies.

The subsidiary is a non-trading company and the latest un-audited accounts have been made up to 5 April 2023 and it is these accounts that have been used in the consolidation. Both companies are incorporated in the United Kingdom and registered in England and Wales.

### **Reserves policy**

All unrestricted funds are used to finance building development projects and generally improve the overall facilities of the School. Donations towards specific projects are included within restricted funds. Donations to The Hawthorns Foundation are allocated to restricted funds. General donations are allocated to unrestricted funds. The Governors have assessed the assets available and the obligations of the Trust and have concluded that the assets are sufficient to meet its obligations, based on current operations and pupil numbers.

### **Plans for Future Periods**

The School is planning ahead and examining ways in which it could adapt to a change in taxation imposed by a new government. The priority for the School must be the development of a sustainable financial model whatever political party is in power. It is widely expected that Business Rate Tax Relief will be withdrawn and that VAT or an equivalent levy will be imposed upon school fees. Consequently all plans focus on ensuring the School is in the best position to offer an excellent education at an affordable price.

The School has been active in ensuring that all new families are welcomed and enjoy a Hawthorns education for their child. The School's marketing and admission policy has ensured that the School represents the ethnicity of the local area. The School sees that this year 21% of its intake comes from ethnically diverse families. The EDI committees (staff and parents) review and monitor ways in which the School can learn and become more inclusive.

### **Principal Risks and Uncertainties**

The Governors assess the major risks to which the School is exposed, particularly relating to its operations and finances, on a regular basis. The most significant risk is considered to be a possible fall in the number of pupils attending the School, especially in a post Covid landscape with high inflation, interest rates and a possible imposition of VAT on school fees in the future.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2023  
**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors, who are also the directors of The Hawthorns Educational Trust Limited for the purposes of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and its subsidiary and of the incoming resources and application of resources, including the income and expenditure, of the group for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

#### **AUDITORS**

A resolution proposing the re-appointment of TC Group as auditors to the company will be put to the annual general meeting.

This report, incorporating the Strategic Report, was approved by the Board of Governors on 7<sup>th</sup> December 2023 and signed on behalf of the Board.

  
BJC Dyer  
Chair of Governors

*7th December 2023*

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2023

## Opinion

We have audited the financial statements of The Hawthorns Educational Trust Limited (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 August 2023. 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 group's and the parent 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2023

**Other information**

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

**Opinions 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 Governors' annual report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 8, the Governors (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 Governors 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the Governors' and other management (as required by auditing standards), and discussed with the Governors' and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, school inspections, DBS checks and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2023

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Cummins FCCA (Senior Statutory Auditor)**  
for and on behalf of TC Group  
**Statutory Auditors**  
Office: Steyning, West Sussex

Dated:

The Hawthorns Educational Trust Limited  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Income & Expenditure Account)  
Year Ended 31 August 2023

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>		-	1,000	1,000	1,591
<b>Charitable activities</b>					
Fees receivable	3	7,231,883	-	7,231,883	6,213,680
<b>Other trading activities</b>					
Sports Centre	4	591,727	-	591,727	618,230
Protection fees		155	-	155	761
<b>Other income</b>	5	<u>438,814</u>	<u>-</u>	<u>438,814</u>	<u>-</u>
<b>Total Income</b>		<u><b>8,262,579</b></u>	<u><b>1,000</b></u>	<u><b>8,263,579</b></u>	<u><b>6,834,262</b></u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Sports Centre		690,025	-	690,025	644,886
Fundraising (The Hawthorns Foundation)		-	-	-	250
<b>Charitable Activities</b>					
Education		<u>6,718,769</u>	<u>-</u>	<u>6,718,769</u>	<u>6,090,608</u>
<b>Total Expenditure</b>	6	<u><b>7,408,794</b></u>	<u><b>-</b></u>	<u><b>7,408,794</b></u>	<u><b>6,735,744</b></u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>853,785</b>	<b>1,000</b>	<b>854,785</b>	<b>98,518</b>
Transfers between funds	16	99,491	(99,491)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u><b>953,276</b></u>	<u><b>(98,491)</b></u>	<u><b>854,785</b></u>	<u><b>98,518</b></u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>5,887,481</u>	<u>318,970</u>	<u>6,206,451</u>	<u>6,107,933</u>
<b>Total funds carried forward</b>		<u><u><b>6,840,757</b></u></u>	<u><u><b>220,479</b></u></u>	<u><u><b>7,061,236</b></u></u>	<u><u><b>6,206,451</b></u></u>

This statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All activities are classed as continuing.

There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED BALANCE SHEET**  
As at 31 August 2023

	Notes	£	2023 £	£	2022 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		9,650,894		7,881,808
<b>CURRENT ASSETS</b>					
Debtors	12	1,896,240		1,785,606	
Cash at bank and in hand		<u>1,254,269</u>		<u>322,084</u>	
Total Current Assets		3,150,509		2,107,690	
Creditors, due within one year	13	<u>(3,517,721)</u>		<u>(3,186,195)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(367,212)</b>		<b>(1,078,505)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		(2,222,446)		(596,852)
<b>TOTAL NET ASSETS</b>			<u><b>7,061,236</b></u>		<u><b>6,206,451</b></u>
<b>Represented by</b>					
Unrestricted Fund	17		6,840,757		5,887,481
Restricted Fund	16		<u>220,479</u>		<u>318,970</u>
<b>TOTAL NET FUNDS</b>			<u><b>7,061,236</b></u>		<u><b>6,206,451</b></u>

These accounts were approved by the board on

B J C Dyer

  
Chair

7th December 2023

D W J Searle

  
Governor

Company number 00949504.

The Hawthorns Educational Trust Limited  
**COMPANY BALANCE SHEET**  
As at 31 August 2023

	Notes	£	2023 £	£	2022 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		9,540,894		7,771,808
Investment in subsidiary	11		<u>71,534</u>		<u>71,534</u>
			<b>9,612,428</b>		<b>7,843,342</b>
<b>CURRENT ASSETS</b>					
Debtors	12	1,941,492		1,830,858	
Cash at bank and in hand		<u>1,254,269</u>		<u>322,084</u>	
Total Current Assets		3,195,761		2,152,942	
Creditors, due within one year	13	<u>(3,517,481)</u>		<u>(3,185,955)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(321,720)</b>		<b>(1,033,013)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		<u>(2,222,446)</u>		<u>(596,852)</u>
<b>TOTAL NET ASSETS</b>			<b><u>7,068,262</u></b>		<b><u>6,213,477</u></b>
<b>Represented by</b>					
Unrestricted Fund	17		6,847,783		5,894,507
Restricted Fund	16		<u>220,479</u>		<u>318,970</u>
<b>TOTAL NET FUNDS</b>			<b><u>7,068,262</u></b>		<b><u>6,213,477</u></b>

These accounts were approved by the board on

B J C Dyer

  
\_\_\_\_\_  
Chair

7th December 2023

D W J Searle

  
\_\_\_\_\_  
Governor

Company number 00949504.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 August 2023

	£	2023 £	£	2022 £
<b>Cash flows from operating activities:</b>				
Net income/expenditure for the year	854,785		98,518	
Adjustments for:				
Depreciation	419,989		444,406	
Decrease/(Increase) in debtors	(110,634)		(522,058)	
(Decrease)/Increase in creditors	<u>225,323</u>		<u>786,617</u>	
<b>Net cash provided by/(used in) operating activities</b>		<b>1,389,463</b>		<b>807,483</b>
<b>Cash flows from investing activities</b>				
Purchase of tangible fixed assets	<u>(2,189,075)</u>		<u>(260,867)</u>	
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,189,075)</b>		<b>(260,867)</b>
<b>Cash flows from financing activities</b>				
Cash inflows from new borrowing	1,851,236		-	
Repayments of borrowing	<u>(119,439)</u>		<u>(91,983)</u>	
<b>Net cash provided by/(used in) financing activities</b>		<b>1,731,797</b>		<b>(91,983)</b>
<b>Change in cash and cash equivalent in the year</b>		<b>932,185</b>		<b>454,633</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>322,084</b>		<b>(132,549)</b>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>1,254,269</u></b>		<b><u>322,084</u></b>
<b>Analysis of cash and cash equivalents</b>				
Cash at bank and in hand		<u>1,254,269</u>		<u>322,084</u>
<b>Total cash and cash equivalents</b>		<b><u>1,254,269</u></b>		<b><u>322,084</u></b>

## 1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Governors' annual report.

## 2 ACCOUNTING POLICIES

### **Basis of preparation**

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS 102)) and Financial Reporting Standard 102.

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

After reviewing the charity's forecasts and projections, the Governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its accounts.

### **Currency**

The Group presents its accounts in Sterling and figures are rounded to the nearest £.

### **Group accounts**

The accounts consolidate the results of the charity and its wholly owned subsidiary The Hawthorns (Pendell Court) Limited on a line by line basis. A separate Statement of Financial Activities (including income and expenditure account) for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The subsidiary is a non-trading company. Its latest un-audited accounts have been made up to 5 April 2023 and it is these accounts that have been used in the consolidation.

### **Income**

Donations received for the general purposes of the School are credited to unrestricted funds except insofar as they are incapable of financial measurement. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the charity.

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded. They are stated after deducting bursaries, scholarships and other fee remissions granted by the School.

Sports centre, rental and investment income are accounted for in the period in which they are receivable. Other incoming resources are accounted for when received.

### **Expenditure**

Expenditure is accounted for on an accruals basis, with value added tax included within the item of expense to which it relates. Overhead and other costs not directly attributable to a particular functional activity category are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the cost of board and committee meetings and of preparing statutory accounts and satisfying public accountability.

Irrecoverable VAT is attributed directly to the cost to which it relates.

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2023

**Assets**

Fixed assets are shown on the balance sheet at cost less accumulated depreciation. Current assets are shown at the lower of cost and net realisable value.

**Depreciation**

Depreciation is provided on fixed assets to write off their cost over their estimated useful lives at the following rates:

Freehold and short leasehold property	2% to 10% straight line
Electrical, computer & garden equipment	20% straight line
Fixtures, fittings, tools & equipment	10% straight line

**Pension schemes**

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The Teachers' Pension Scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 102, the Teachers' Pension Scheme is a multi-employer pension scheme. The school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to personal pension schemes for non-teaching staff. Teachers that joined the school from September 2022 are part of this scheme.

**Operating lease rentals**

Rentals paid in respect of assets held under operating leases are taken to the Statement of Financial Activities as they fall due.

**Investments**

Investments consist of a shareholding in the group subsidiary and are held at cost.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments. The Governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Debtors**

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

**Fund accounting**

Unrestricted funds comprise those funds which can be used in accordance with the charitable objectives at the discretion of the Governors.

Restricted funds are those funds which can be used in accordance with the specific restrictions imposed by the donor or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds and the School reimburses the costs from unrestricted funds. The aim and use of each restricted fund is set out further in the notes to the accounts.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2023

**Turnover**

The turnover of the charity is wholly attributable to the object of the charity as stated in the Governors' Report and is earned entirely within the UK.

**Taxation**

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

Deferred taxation in the subsidiary company arising on the valuation of the freehold is not provided for as, in the opinion of the directors of the Group, the liability is unlikely to arise.

**Critical accounting estimates and judgements**

In the application of the Group's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Governors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

<b>3 Income from Charitable Activities</b>	2023	2022
	£	£
Gross fees	7,239,896	6,241,386
Less: bursaries, scholarships and discounts	(428,791)	(337,889)
	<u>6,811,105</u>	<u>5,903,497</u>
Extras	420,778	310,183
	<u><u>7,231,883</u></u>	<u><u>6,213,680</u></u>
<b>4 Income from Other Trading Activities</b>	2023	2022
	£	£
Sports Centre income	591,727	602,650
Other lettings and activities	-	15,580
	<u>591,727</u>	<u>618,230</u>
<b>5 Other income</b>	2023	2022
	£	£
Proceeds from sale of West Lodge (from subsidiary accounts)	438,814	-
	<u>438,814</u>	<u>-</u>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2023

**6 Analysis of Expenditure**

	Staff Costs	Other	Depreciation	Total 2023	Total 2022
	£	£	£	£	£
<b>Cost of raising funds</b>					
Fundraising	-	-	-	-	250
Lettings (inc. Sports Centre exp)	382,299	307,726	-	690,025	644,886
<b>Total cost of raising funds</b>	<b>382,299</b>	<b>307,726</b>	<b>-</b>	<b>690,025</b>	<b>645,136</b>
Teaching	3,515,941	353,318	179,076	4,048,335	3,727,127
Welfare	109,503	521,874	-	631,377	527,922
Premises	172,623	556,829	240,913	970,365	912,212
Finance costs	-	121,063	-	121,063	57,139
Support and Governance	466,269	481,360	-	947,629	866,208
<b>Total charitable expenditure</b>	<b>4,264,336</b>	<b>2,034,444</b>	<b>419,989</b>	<b>6,718,769</b>	<b>6,090,608</b>
<b>Total Expenditure</b>	<b>4,646,635</b>	<b>2,342,170</b>	<b>419,989</b>	<b>7,408,794</b>	<b>6,735,744</b>

**Analysis of support and Governance costs**

	2023 £	2022 £
Governance costs:		
Auditors' remuneration for audit services	13,440	12,790
	<u>13,440</u>	<u>12,790</u>
Support costs:		
Auditors' remuneration for non audit services	11,736	10,425
Support staff wages, national insurance and pension	466,269	440,778
Other support costs	456,184	402,215
	<u>947,629</u>	<u>866,208</u>

Net Income is stated after charging £42,856 (2022: £49,568) to operating lease rentals included within premises costs.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2023

**7 Comparative Statement of Financial Activities – Year Ended 31 August 2022**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<b>INCOME FROM:</b>			
<b>Donations and legacies</b>	1,591	-	1,591
<b>Charitable activities</b>			
Fees receivable	6,213,680	-	6,213,680
<b>Other trading activities</b>			
Sports Centre	618,230	-	618,230
Protection fees	761	-	761
	<hr/>	<hr/>	<hr/>
<b>Total Income</b>	<b>6,834,262</b>	<b>-</b>	<b>6,834,262</b>
<b>EXPENDITURE ON:</b>			
<b>Raising funds</b>			
Sports Centre	644,886	-	644,886
Fundraising (The Hawthorns Foundation)	250	-	250
<b>Charitable Activities</b>			
Education	6,090,608	-	6,090,608
	<hr/>	<hr/>	<hr/>
<b>Total Expenditure</b>	<b>6,735,744</b>	<b>-</b>	<b>6,735,744</b>
<b>NET INCOME</b>	<b>98,518</b>	<b>-</b>	<b>98,518</b>
Transfers between funds	67,437	(67,437)	-
	<hr/>	<hr/>	<hr/>
<b>Net movement in funds</b>	<b>165,955</b>	<b>(67,437)</b>	<b>98,518</b>
Fund balances brought forward	5,721,526	386,407	6,107,933
	<hr/>	<hr/>	<hr/>
<b>Fund balances carried forward</b>	<b>5,887,481</b>	<b>318,970</b>	<b>6,206,451</b>

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2023

**8 Staff Costs**

	2023	2022
	£	£
Salaries and wages	3,706,795	3,470,051
Social security costs	358,816	340,264
Pension costs	581,024	554,158
	<u>4,646,635</u>	<u>4,364,473</u>

Number of employees whose emoluments for the year exceeded £60,000	2023	2022
£60,000 to £69,999	4	2
£80,000 to £89,999	-	1
£90,000 to £99,999	1	-
£140,000 to £149,999	-	1
£150,000 to £159,999	1	-

Contributions totalling £97,506 (2022: £67,489) were made during the year to a pension scheme on behalf of the above employees.

The average monthly headcount was 138 staff (2022: 136 staff) and the average monthly number of full time equivalent employees during the year was:

	2023	2022
Teaching and teaching assistants (term time)	63	55
Others (administration, kitchen, maintenance and sports centre)	33	33
	<u>96</u>	<u>88</u>

The key management personnel of the school are detailed in the Governors' Report.

	2023	2022
	£	£
Aggregate employee benefits of key management personnel	<u>948,542</u>	<u>895,399</u>

None of the Governors received any remuneration or other benefits from the school or any connected body.

**9 Operating Surplus**

	2023	2022
	£	£
Included within the operating surplus for the year are the following:		
<b>Charitable Activities - Education</b>		
Operating lease rentals (inc. VAT)	42,856	49,568
<b>Governance</b>		
Auditors' fees – audit services (inc. VAT)	13,440	12,790
Auditors' fees – other services (inc. VAT)	11,736	10,425

As described in the notes to the accounts, no separate Statement of Financial Activities has been prepared for the School alone. The School contributed £415,971 to the surplus of the Group for the year (2022: £98,518 to the surplus).

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2023

**10 Tangible Fixed Assets**

The movement of tangible fixed assets was as follows:

<b>THE GROUP</b>	Freehold property	Electrical, computer & garden equipment	Fixtures, fittings, tools & equipment	TOTAL
	£	£	£	£
<b>Cost</b>				
At beginning of year	11,253,883	471,141	789,531	12,514,555
Additions	2,040,597	9,021	139,457	2,189,075
At end of year	<u>13,294,480</u>	<u>480,162</u>	<u>928,988</u>	<u>14,703,630</u>
<b>Accumulated Depreciation</b>				
At beginning of year	3,800,815	365,346	466,586	4,632,747
Charge for year	289,653	51,206	79,130	419,989
At end of year	<u>4,090,468</u>	<u>416,552</u>	<u>545,716</u>	<u>5,052,736</u>
<b>Net Book Value</b>				
At beginning of year	7,453,068	105,795	322,945	7,881,808
At end of year	<u>9,204,012</u>	<u>63,610</u>	<u>383,272</u>	<u>9,650,894</u>
<b>THE COMPANY</b>				
<b>Cost</b>				
At beginning of year	11,143,883	471,141	789,531	12,404,555
Additions	2,040,597	9,021	139,457	2,189,075
At end of year	<u>13,184,480</u>	<u>480,162</u>	<u>928,988</u>	<u>14,593,630</u>
<b>Accumulated Depreciation</b>				
At beginning of year	3,800,815	365,346	466,586	4,632,747
Charge for year	289,653	51,206	79,130	419,989
At end of year	<u>4,090,468</u>	<u>416,552</u>	<u>545,716</u>	<u>5,052,736</u>
<b>Net Book Value</b>				
At beginning of year	7,343,068	105,795	322,945	7,771,808
At end of year	<u>9,094,012</u>	<u>63,610</u>	<u>383,272</u>	<u>9,540,894</u>

The freehold property shown in the accounts of the company relates to improvements made to the freehold property owned by the subsidiary company and is therefore added to freehold property in the accounts of the group. The market value of freehold properties is estimated by the Governors to be in excess of the book value at the year end.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2023

**11 Investment in Subsidiary**

	2023 £	2022 £
Shares at cost	71,534	71,534

The Company owns 100% of the shares of the subsidiary company The Hawthorns (Pendell Court) Limited, company number 700823, which owns the freehold of the premises occupied by the Trust. Both companies are incorporated in the United Kingdom and registered in England and Wales.

The trading results of The Hawthorns (Pendell Court) Limited for the year ended 5 April 2023 are:

Profit for the year	£Nil
Capital and Reserves	£64,507

**12 Debtors**

	The Group		The Company	
	2023 £	2022 £	2023 £	2022 £
Fees receivable	1,737,613	1,645,841	1,737,589	1,645,817
Other debtors	16,157	14,380	16,157	14,380
Prepayments	142,470	125,385	142,470	125,385
Loan to subsidiary company	-	-	45,276	45,276
<b>TOTAL</b>	<b>1,896,240</b>	<b>1,785,606</b>	<b>1,941,492</b>	<b>1,830,858</b>

**13 Creditors due within one year**

	The Group		The Company	
	2023 £	2022 £	2023 £	2022 £
Fees charged in advance	2,338,080	2,384,632	2,338,080	2,384,632
Bank loans and overdrafts	180,659	119,446	180,659	119,446
Other creditors and school fees received in advance (Note 15)	975,186	639,381	974,946	639,141
Accruals	23,796	42,736	23,796	42,736
<b>TOTAL</b>	<b>3,517,721</b>	<b>3,186,195</b>	<b>3,517,481</b>	<b>3,185,955</b>



The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2023

**14 Creditors due after more than one year**

	The Group		The Company	
	2023 £	2022 £	2023 £	2022 £
Long term loans	2,105,954	435,370	2,105,954	435,370
Advanced Fees Payments Scheme due more than one year	116,492	161,482	116,492	161,482
<b>TOTAL</b>	<b>2,222,446</b>	<b>596,852</b>	<b>2,222,446</b>	<b>596,852</b>
<b>Loan maturity analysis</b>				
Repayable in less than 1 year (Note 13)	180,659	119,446	180,659	119,446
Repayable in 1-2 years	225,914	123,826	225,914	123,826
Repayable in 2-5 years	475,348	311,550	475,348	311,550
Repayable in over 5 years	1,404,692	-	1,404,692	-
<b>TOTAL</b>	<b>2,286,613</b>	<b>554,822</b>	<b>2,286,613</b>	<b>554,822</b>

The Trust has two 15 Year, fixed interest loans, each initially of £500,000.

A Development loan facility of £3,000,000 was granted in the year. During the year, £1,851,236 was drawn down against this loan. The loan repayments commence from February 2024.

The Trust also has a CBILS loan. Loan repayments commenced during the year. The loan was interest free for the first 12 months.

Total loan repayments during the year were £119,439 (2022: £91,744).

The Trust also has a Bank overdraft facility. The loans and the overdraft are secured by a fixed and floating charge on the Group's freehold property. The overdraft was not being used at the year end.

**15 Advanced Fees Payment Scheme**

Parents may enter into a contract to pay the School tuition fees in advance. The money may be returned, subject to specific conditions, upon the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as below:

	2023 £	2022 £
Due within one year	57,740	120,176
Advanced Fees Payments Scheme due more than one year	116,492	161,482
<b>TOTAL</b>	<b>174,232</b>	<b>281,658</b>

The balance represents the accrued liability under the contracts.

The movements during the year were:

	2023 £	2022 £
Balance at beginning of the year	281,658	200,825
Amounts received during the year	16,508	175,663
Amounts credited to pupil accounts for fees	(123,934)	(94,830)
<b>Balance at end of year</b>	<b>174,232</b>	<b>281,658</b>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2023

**18 Net Assets Between Funds of the Group**

	Designated £	Unrestricted £	Restricted £	Group £
<b>At 31 August 2023</b>				
Fixed Assets	-	9,650,894	-	9,650,894
Current Assets	438,814	2,491,216	220,479	3,150,509
Current Liabilities	-	(3,517,721)	-	(3,517,721)
Long-term Liabilities	-	(2,222,446)	-	(2,222,446)
	<u>438,814</u>	<u>6,401,943</u>	<u>220,479</u>	<u>7,061,236</u>
<b>At 31 August 2022</b>				
Fixed Assets		7,881,808	-	7,881,808
Current Assets		1,788,720	318,970	2,107,690
Current Liabilities		(3,186,195)	-	(3,186,195)
Long-term Liabilities		(596,852)	-	(596,852)
		<u>5,887,481</u>	<u>318,970</u>	<u>6,206,451</u>

**19 Operating Leases**

Total lease commitments for assets held under operating leases are £36,348 (2022: £61,221).

	2023 £	2022 £
Within one year	32,754	33,825
Between two and five years	3,594	27,396
	<u>36,348</u>	<u>61,221</u>

**20 Governors' Remuneration, Reimbursement of expenses and Interests in Contracts**

No remuneration was provided to any Governors during the year. No governors were reimbursed travel expenditure during the year (2022: £Nil).

Mr B J C Dyer, the Chair of Governor, was a director of Bradley Dyer Raw Limited that the company provides advertising production service worth of £7,292 (2022: £1,711) to The Hawthorns School. These services are provided at preferential rates.

**21 Pension Costs**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £454,451 (2022: £500,790) and at the year-end £Nil (2022 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**21 Pension Costs (continued)**

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and following a public consultation in 2021 the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations were completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has indicated that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The School also operates a defined contribution pension scheme for non-TPS staff. The pension charge for the year includes contributions payable to this scheme of £126,573 (2022: £53,368) and at the year-end £Nil (2022: £Nil) was accrued in respect of contributions to this scheme. Teachers that joined the school from September 2022 are part of this scheme, as the school introduced a phased withdrawal from the Teachers' Pension Scheme.

**22 Control**

The company is limited by guarantee with no one member having overall control.

**23 Capital commitments**

Amounts contracted for but not provided in the financial statements are £154,596 plus VAT (2022: £1,820,983 plus VAT) in relation to the New Nursery Building.



**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

England & Wales - Charity number 312067

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# Accounts

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THE  
HAWTHORNS  
SCHOOL

**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

(a Registered Charity and Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School

**GOVERNORS' ANNUAL REPORT AND AUDITED  
CONSOLIDATED ACCOUNTS**

**For the year ended 31 August 2022**

Company Registration Number-00949504

Charity Commission Registration-Number-312067

The Hawthorns Educational Trust Limited

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The Hawthorns Educational Trust Limited  
**GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2022

The Governors (who are also directors of the Charity for the purposes of the Companies Act) present their Annual Report, together with the Audited Accounts of The Hawthorns Educational Trust Limited (the Company) for the year ended 31 August 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the School's Memorandum and Articles of Association, and 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 2015).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hawthorns School was founded in 1926. The Hawthorns School Educational Trust Limited (the Trust) is a company limited by guarantee, number 00949504, and was registered at Companies House on 7 March 1969. The Trust is a registered charity, number 312067, registered at the Charity Commission on 7 May 1970. The charity is governed by its Memorandum and Articles of Association dated 7 May 1970. The charity operates The Hawthorns School, a co- educational pre-preparatory and preparatory school for pupils aged 2 to 13, in Bletchingley, Surrey.

### **Governors**

The Governors, who are the directors of the Group for the purposes of company law, and are the charity trustees, for the purposes of charity law, during the year and since, were as follows:

Mr BJC Dyer \*  
Mr LWJ Baart \*  
Mr RJ Buckingham \*  
Mr MJ Dockery \*  
Mr KE Kahwa \* \*\*  
Mr RHC Kirkland \*  
Mr HJW Oliver \*  
Mrs SE Raja \* \*\*  
Mr SJO Roche \*  
Mr DWJ Searle \* \*\*  
Mr MB Tinker \* \*\*

\* Governor, director and charity trustee at date of signing these accounts.

\*\* Parent of current pupil at date of signing these accounts.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2022

### **Governing body**

Governors are elected by the governing body. At each annual general meeting the nearest number to one third of the total Governors retire and are eligible for re-election. The Governors to retire each year are those who have been longest in office since their last election.

In order to maintain a broad skill mix, Governors are selected from a wide range of professions and, in the event of particular skills being lost due to retirement; individuals with the requisite skills are approached to offer themselves for election to the governing body.

Governors derive no financial benefit from their office other than as shown in the notes to the accounts, but are reimbursed for any travel or administrative expenses.

The Group benefits from the generous giving of their time and it is estimated that during the year over 750 hours have been spent by the Governors on governance matters.

### **Governor induction and training**

Governor induction, following appointment, comprises the review of a portfolio of documentation covering all aspects of the Group, including the most recent audited accounts, the Memorandum and Articles of Association, copies of Board Meeting Minutes, School Prospectus, recent newsletters to parents, staff lists with responsibilities, governance documentation with sub-committee details and a copy of the Charity Commission publication, 'The Essential Trustee'.

Governors are expected to attend subcommittee meetings (depending on their skills; see subcommittee details below) as required and to attend termly Board Meetings. Governors are encouraged to visit the School during term time, to meet the pupils, Headmaster, Bursar and Senior Leadership Team.

Training, after appointment, is provided by comprehensive mailing of information relevant to the School's day to day activities and by a formal training session held each year at a board meeting. The Chairman of Governors attends an outside training course run by IAPS (Independent Association of Preparatory Schools) during the first year of office. Governors are encouraged to visit the Charity Commission website for up to date information.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2022

Key executives, professional advisers and contact information:

Headmaster	Mr A E Floyd
Bursar and Company Secretary	Mr D St John Parker
Senior Leadership Team	Mr A Duggan, Miss S C Fowler, Mr M W Goldhawk, Mr A J Morris, Mr A W Raja (appointed 1 September 2021), Mr R Skottowe (appointed 1 September 2021), Mrs F E Westwood and Mrs K A Wyborn (resigned 31 August 2022).
Address and Registered Office	The Hawthorns Educational Trust Limited T/A The Hawthorns School Pendell Court Bletchingley, Surrey RH1 4QJ
Bankers	Lloyds Bank plc 1 London Road Redhill Surrey RH1 IND
Auditors	TC Group The Courtyard Shoreham Road Upper Seeding Steyning West Sussex BN44 3TN
School Website	<a href="http://www.hawthorns.com">www.hawthorns.com</a>
Email	<a href="mailto:office@hawthorns.com">office@hawthorns.com</a>

## **Organisational management**

The Governors determine the general policy of the Trust. The key management personnel of the School are the Governors, the Headmaster, the Bursar and the Senior Leadership Team. The Governors meet, as a body, at least once each term. Various sub-committees meet to deal with matters during the year as required. At the date of signing these accounts the sub-committees comprise:

### **Education subcommittee**

SE Raja (Chair), SJO Roche, the Headmaster and other senior School staff. This committee works to improve the quality of education in the School.

### **Finance and General Purposes subcommittee**

DWJ Searle (Chairman), LWJ Baart, MJ Dockery, BJC Dyer, RHC Kirkland, Mr HJW Oliver, the Headmaster and the Bursar. This committee covers The Hawthorns Foundation, finance, estates, staffing and general management of the School.

### **Marketing subcommittee**

BJC Dyer (Chairman), the Headmaster, other School personnel as appropriate and co-opted parents. This committee deals with the marketing and presentation of the School.

### **Health and Safety subcommittee**

MJ Dockery (Chairman), the Bursar and other School staff. This committee is responsible for agreeing health and safety policies and strategy across the School.

### **Safeguarding & HR subcommittee**

RJ Buckingham (Chairman), KE Kahwa, MB Tinker, the Headmaster, the Bursar and other senior School staff. This committee is responsible for safeguarding, recruitment, welfare and retention of employees of the School.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

## **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The objects are set out in the Memorandum of Association as the education of girls and boys aged 2 to 13. It is the aim of the Trust, as an independent educational establishment, to lay academic, physical and moral foundations of the highest quality. These foundations will equip the School's pupils with self-confidence and a desire to contribute to the wider community and, in preparing them for the next stage of their education, will enable them to face and overcome the many challenges of life ahead.

In setting objectives and planning activities, the Governors have given due consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

## **STRATEGIC REVIEW**

### **Achievements and Performance**

The School enjoyed a successful academic year with over 50% of leavers being awarded scholarships to join their senior school. A record number of new entrants sought to gain places at the School and a larger cohort of children joined the Upper School (Year 7 and Year 8). School development plans are underway to enhance the provision and continued integration of IT and the success of the new rewards and sanctions system for managing pupil behaviour has been a success. Pupils have continued to enjoy success in a wide variety of sports, activities, and creative pursuits. The all-round education that the Hawthorns seeks to deliver continues to result in high levels of pupil success.

Efforts continue to ensure that no suitable pupil is denied an education at the School on the grounds of affordability. Accordingly, the Governors are pleased to offer means-tested bursaries (assisted places) to parents with limited income. During the year bursary awards were made to 6 pupils (2021: 8) and their value was £67,437 (2021: £86,907). In total, financial support of all kinds during the year was 5.34% of gross fee income (2021: 5.61%).

### **Financial Review**

The Trust received total income of £6,834,262 (2021: £5,993,340) and the consolidated net incoming resources for the year amounted to £98,518 (2021: net outgoing resources of £120,501). The results for the year include the net outgoing resources from restricted funds of £Nil (2021: net outgoing resources of £1,205) for The Hawthorns Foundation. A transfer from restricted funds of £67,437 took place in the year to recognise the utilisation of the Bursary funds in the year. Total funds carried forward were £6,206,451 which includes £318,970 of restricted funds (2021: £6,107,933 which included £386,407 of restricted funds). The balance of £5,887,481 is held as unrestricted funds (2021: £5,721,526).

Capital expenditure has been undertaken to make improvements to the School facilities. This amounted to £123,296 during the year (2021: £196,474), excluding the initial costs of submitting a planning application for the new Nursery. There is a plan of continuous upgrading of the School's facilities in order to keep pace with the requirements of a leading pre-preparatory and preparatory school.

### **Investment in subsidiary**

The Trust owns 100% of the shares of its subsidiary company, The Hawthorns (Pendell Court) Limited, which in turn owns the freehold of the premises occupied by the Trust. The accounts consolidate the financial statements of both companies.

The subsidiary is a non-trading, dormant company and the latest un-audited accounts have been made up to 5 April 2022 and it is these accounts that have been used in the consolidation. Both companies are incorporated in the United Kingdom and registered in England and Wales.

### **Reserves policy**

All unrestricted funds are used to finance building development projects and generally improve the overall facilities of the School. Donations towards specific projects are included within restricted funds. Donations to The Hawthorns Foundation are allocated to restricted funds. General donations are allocated to unrestricted funds. The Governors have assessed the assets available and the obligations of the Trust and have concluded that the assets are sufficient to meet its obligations, based on current operations and pupil numbers.

### **Plans for Future Periods**

The School seeks to enhance our Nursery provision by building a better Nursery on the site of Rainbow and Little Thorns. This Nursery will provide early childcare for babies and children from 6 months to 4 years. We want our School to speak to the needs of growing numbers of families who want and need to work. More sessions and childcare in a warm and loving environment where children can learn will be needed.

The School has been active in ensuring that all new families are welcomed and enjoy a Hawthorns education for their child. The School sees that over 20% of its intake comes from ethnically diverse families and has set up an EDI committee to review and monitor ways in which the School can learn and become more inclusive.

### **Principal Risks and Uncertainties**

The Governors assess the major risks to which the School is exposed, particularly relating to its operations and finances, on a regular basis. The most significant risk is considered to be a possible fall in the number of pupils attending the School, especially in a post Covid landscape. The Governors are satisfied that, overall, the systems in place, having due regard to the nature and resources of the School, adequately manage exposure to such risks.

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the directors of The Hawthorns Educational Trust Limited for the purposes of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and its subsidiary and of the incoming resources and application of resources, including the income and expenditure, of the group for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

## AUDITORS

A resolution proposing the re-appointment of TC Group as auditors to the company will be put to the annual general meeting.

This report, incorporating the Strategic Report, was approved by the Governors on 7 December 2022 and signed on behalf of the board by



BJC Dyer  
Chair of Governors

7th December 2022

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2022

**Opinion**

We have audited the financial statements of The Hawthorns Educational Trust Limited (the 'charitable company') for the year ended 31 August 2022. 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 group's and the parent charitable company's affairs as at 31 August 2022 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2022

**Other information**

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

**Opinions 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 Governors' annual report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2022

**Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 8, the Governors (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 Governors 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the Governors' and other management (as required by auditing standards), and discussed with the Governors' and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, school inspections, DBS checks and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2022

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Cummins FCCA (Senior Statutory Auditor)**  
for and on behalf of TC Group  
**Statutory Auditors**  
Office: Steyning, West Sussex

Dated:

The Hawthorns Educational Trust Limited  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Income & Expenditure Account)  
Year Ended 31 August 2022

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
<b>INCOME FROM:</b>					
Donations and legacies		1,591	-	1,591	3,527
<b>Charitable activities</b>					
Fees receivable	3	6,213,680	-	6,213,680	5,559,521
<b>Other trading activities</b>					
Sports Centre	4	618,230	-	618,230	327,080
Protection fees		761	-	761	1,587
Other income	5	-	-	-	101,625
<b>Total Income</b>		<b>6,834,262</b>	<b>-</b>	<b>6,834,262</b>	<b>5,993,340</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Sports Centre		644,886	-	644,886	470,251
Fundraising (The Hawthorns Foundation)		250	-	250	3,187
<b>Charitable Activities</b>					
Education		6,090,608	-	6,090,608	5,640,403
<b>Total Expenditure</b>	6	<b>6,735,744</b>	<b>-</b>	<b>6,735,744</b>	<b>6,113,841</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>98,518</b>	<b>-</b>	<b>98,518</b>	<b>(120,501)</b>
Transfers between funds	16	67,437	(67,437)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>165,955</b>	<b>(67,437)</b>	<b>98,518</b>	<b>(120,501)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		5,721,526	386,407	6,107,933	6,228,434
<b>Total funds carried forward</b>		<b>5,887,481</b>	<b>318,970</b>	<b>6,206,451</b>	<b>6,107,933</b>

This statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All activities are classed as continuing.

There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED BALANCE SHEET**  
As at 31 August 2022

	Notes	£	2022 £	£	2021 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		7,881,808		8,065,347
<b>CURRENT ASSETS</b>					
Debtors	12	1,785,606		1,263,548	
Cash at bank and in hand		<u>322,084</u>		<u>48,946</u>	
Total Current Assets		2,107,690		1,312,494	
Creditors, due within one year	13	<u>(3,186,195)</u>		<u>(2,568,144)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(1,078,505)</b>		<b>(1,255,650)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		(596,852)		(701,764)
<b>TOTAL NET ASSETS</b>			<b><u>6,206,451</u></b>		<b><u>6,107,933</u></b>
<b>Represented by</b>					
Unrestricted Fund	17		5,887,481		5,721,526
Restricted Fund	16		<u>318,970</u>		<u>386,407</u>
<b>TOTAL NET FUNDS</b>			<b><u>6,206,451</u></b>		<b><u>6,107,933</u></b>

These accounts were approved by the board on

B J C Dyer

  
Chair 7.12.22

D W J Searle

  
Governor

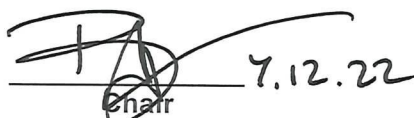
Company number 00949504.

The Hawthorns Educational Trust Limited  
**COMPANY BALANCE SHEET**  
As at 31 August 2022

	Notes	£	2022 £	£	2021 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		7,771,808		7,955,347
Investment in subsidiary	11		<u>71,534</u>		<u>71,534</u>
			<b>7,843,342</b>		<b>8,026,881</b>
<b>CURRENT ASSETS</b>					
Debtors	12	1,830,858		1,308,800	
Cash at bank and in hand		<u>322,084</u>		<u>48,946</u>	
Total Current Assets		2,152,942		1,357,746	
Creditors, due within one year	13	<u>(3,185,955)</u>		<u>(2,567,904)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(1,033,013)</b>		<b>(1,210,158)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		<u>(596,852)</u>		<u>(701,764)</u>
<b>TOTAL NET ASSETS</b>			<b><u>6,213,477</u></b>		<b><u>6,114,959</u></b>
Represented by					
Unrestricted Fund	17		5,894,507		5,728,552
Restricted Fund	16		<u>318,970</u>		<u>386,407</u>
<b>TOTAL NET FUNDS</b>			<b><u>6,213,477</u></b>		<b><u>6,114,959</u></b>

These accounts were approved by the board on

B J C Dyer

  
Chair

7.12.22

D W J Searle

  
Governor

Company number 00949504.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 August 2022

	£	2022 £	£	2021 £
<b>Cash flows from operating activities:</b>				
Net income/expenditure for the year	98,518		(120,501)	
<b>Adjustments for:</b>				
Depreciation	444,406		450,497	
Decrease/(Increase) in debtors	(522,058)		183,763	
(Decrease)/Increase in creditors	<u>786,617</u>		<u>93,950</u>	
<b>Net cash provided by/(used in) operating activities</b>		807,483		607,709
<b>Cash flows from investing activities</b>				
Proceeds from the sale of property, plant and equipment	-		2,500	
Purchase of tangible fixed assets	<u>(260,867)</u>		<u>(196,474)</u>	
<b>Net cash provided by/(used in) investing activities</b>		(260,867)		(193,974)
<b>Cash flows from financing activities</b>				
Cash inflows from new borrowing	-		200,000	
Repayments of borrowing	<u>(91,983)</u>		<u>(71,265)</u>	
<b>Net cash provided by/(used in) financing activities</b>		(91,983)		128,735
<b>Change in cash and cash equivalent in the year</b>		<u>454,633</u>		<u>542,470</u>
<b>Cash and cash equivalents at the beginning of the year</b>		(132,549)		(675,019)
<b>Cash and cash equivalents at the end of the year</b>		<u><b>322,084</b></u>		<u><b>(132,549)</b></u>
<b>Analysis of cash and cash equivalents</b>				
Cash at bank and in hand		322,084		48,946
Overdraft facility payable on demand		-		<u>(181,495)</u>
<b>Total cash and cash equivalents</b>		<u><b>322,084</b></u>		<u><b>(132,549)</b></u>

## 1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Governors' annual report.

## 2 ACCOUNTING POLICIES

### Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS 102)) and Financial Reporting Standard 102.

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

After reviewing the charity's forecasts and projections, the Governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its accounts.

### Currency

The Group presents its accounts in Sterling and figures are rounded to the nearest £.

### Group accounts

The accounts consolidate the results of the charity and its wholly owned subsidiary The Hawthorns (Pendell Court) Limited on a line by line basis. A separate Statement of Financial Activities (including income and expenditure account) for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The subsidiary is a non-trading, dormant company. Its latest un-audited accounts have been made up to 5 April 2022 and it is these accounts that have been used in the consolidation.

### Income

Donations received for the general purposes of the School are credited to unrestricted funds except insofar as they are incapable of financial measurement. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the charity.

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded. They are stated after deducting bursaries, scholarships and other fee remissions granted by the School.

Sports centre, rental and investment income are accounted for in the period in which they are receivable. Other incoming resources are accounted for when received.

### Expenditure

Expenditure is accounted for on an accruals basis, with value added tax included within the item of expense to which it relates. Overhead and other costs not directly attributable to a particular functional activity category are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the cost of board and committee meetings and of preparing statutory accounts and satisfying public accountability.

Irrecoverable VAT is attributed directly to the cost to which it relates.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2022

**Assets**

Fixed assets are shown on the balance sheet at cost less accumulated depreciation. Current assets are shown at the lower of cost and net realisable value.

**Depreciation**

Depreciation is provided on fixed assets to write off their cost over their estimated useful lives at the following rates:

Freehold and short leasehold property	2% to 10% straight line
Electrical, computer & garden equipment	20% straight line
Fixtures, fittings, tools & equipment	10% straight line

**Pension schemes**

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The Teachers' Pension Scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 102, the Teachers' Pension Scheme is a multi-employer pension scheme. The school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to personal pension schemes for non-teaching staff.

**Operating lease rentals**

Rentals paid in respect of assets held under operating leases are taken to the Statement of Financial Activities as they fall due.

**Investments**

Investments consist of a shareholding in the group subsidiary and are held at cost.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments. The Governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Debtors**

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

**Fund accounting**

Unrestricted funds comprise those funds which can be used in accordance with the charitable objectives at the discretion of the Governors.

Restricted funds are those funds which can be used in accordance with the specific restrictions imposed by the donor or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds and the School reimburses the costs from unrestricted funds. The aim and use of each restricted fund is set out further in the notes to the accounts.

**Turnover**

The turnover of the charity is wholly attributable to the object of the charity as stated in the Governors' Report and is earned entirely within the UK.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2022

**Taxation**

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

Deferred taxation in the subsidiary company arising on the valuation of the freehold is not provided for as, in the opinion of the directors of the Group, the liability is unlikely to arise.

**Critical accounting estimates and judgements**

In the application of the Group's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Governors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

<b>3 Income from Charitable Activities</b>	2022	2021
	£	£
Gross fees	6,241,386	5,783,330
Less: bursaries, scholarships and discounts	(337,889)	(324,367)
Less: COVID adjustments	-	(103,071)
	<u>5,903,497</u>	<u>5,355,892</u>
Extras	310,183	203,629
	<u><u>6,213,680</u></u>	<u><u>5,559,521</u></u>
<b>4 Income from Other Trading Activities</b>	2022	2021
	£	£
Sports Centre income	602,650	308,830
Other lettings and activities	15,580	18,250
	<u>618,230</u>	<u>327,080</u>
<b>5 Other income</b>	2022	2021
	£	£
Furlough grant income	-	101,625
	<u>-</u>	<u>101,625</u>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2022

**6 Analysis of Expenditure**

	Staff Costs	Other	Depreciation	Total 2022	Total 2021
	£	£	£	£	£
<b>Cost of raising funds</b>					
Fundraising	250	-	-	250	3,187
Lettings (inc. Sports Centre exp)	387,181	257,705	-	644,886	470,251
Total cost of raising funds	<u>387,431</u>	<u>257,705</u>	<u>-</u>	<u>645,136</u>	<u>473,438</u>
Teaching	3,294,468	253,583	179,076	3,727,127	3,537,645
Welfare	102,115	425,807	-	527,922	408,014
Premises	139,681	507,201	265,330	912,212	853,161
Finance costs	-	57,139	-	57,139	34,341
Support and Governance	440,778	425,430	-	866,208	807,242
Total charitable expenditure	<u>3,977,042</u>	<u>1,669,160</u>	<u>444,406</u>	<u>6,090,608</u>	<u>5,640,403</u>
<b>Total Expenditure</b>	<b><u>4,364,473</u></b>	<b><u>1,926,865</u></b>	<b><u>444,406</u></b>	<b><u>6,735,744</u></b>	<b><u>6,113,841</u></b>

**Analysis of support and Governance costs**

	2022	2021
	£	£
Governance costs:		
Auditors' remuneration for audit services	12,790	12,240
	<u>12,790</u>	<u>12,240</u>
Support costs:		
Auditors' remuneration for non audit services	10,425	12,660
Support staff wages, national insurance and pension	440,778	434,816
Other support costs	402,215	347,526
	<u>866,208</u>	<u>807,242</u>

Net Income is stated after charging £49,568 (2021: £46,552) to operating lease rentals included within premises costs.

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2022

**7 Comparative Statement of Financial Activities – Year Ended 31 August 2021**

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<b>INCOME FROM:</b>			
<b>Donations and legacies</b>	2,322	1,205	3,527
<b>Charitable activities</b>			
Fees receivable	5,559,521	-	5,559,521
<b>Other trading activities</b>			
Sports Centre	327,080	-	327,080
Protection fees	1,587	-	1,587
<b>Other income</b>	<u>101,625</u>	<u>-</u>	<u>101,625</u>
<b>Total Income</b>	<u><b>5,992,135</b></u>	<u><b>1,205</b></u>	<u><b>5,993,340</b></u>
<b>EXPENDITURE ON:</b>			
<b>Raising funds</b>			
Sports Centre	470,251	-	470,251
Fundraising (The Hawthorns Foundation)	3,187	-	3,187
<b>Charitable Activities</b>			
Education	<u>5,640,403</u>	<u>-</u>	<u>5,640,403</u>
<b>Total Expenditure</b>	<u><b>6,113,841</b></u>	<u><b>-</b></u>	<u><b>6,113,841</b></u>
<b>NET INCOME</b>	<b>(121,706)</b>	<b>1,205</b>	<b>(120,501)</b>
<b>Net movement in funds</b>			
Fund balances brought forward	<u>5,843,232</u>	<u>385,202</u>	<u>6,228,434</u>
<b>Fund balances carried forward</b>	<u><b>5,721,526</b></u>	<u><b>386,407</b></u>	<u><b>6,107,933</b></u>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2022

**8 Staff Costs**

	2022	2021
	£	£
Salaries and wages	3,470,051	3,265,602
Social security costs	340,264	307,441
Pension costs	554,158	544,702
	<u>4,364,473</u>	<u>4,117,745</u>

	2022	2021
Number of employees whose emoluments for the year exceeded £60,000		
£60,000 to £69,999	2	2
£80,000 to £89,999	1	-
£130,000 to £139,999	-	1
£140,000 to £149,999	1	-

Contributions totalling £67,489 (2021: £60,252) were made during the year to a pension scheme on behalf of the above employees.

The average monthly headcount was 136 staff (2021: 128 staff) and the average monthly number of full time equivalent employees during the year was:

	2022	2021
Teaching and teaching assistants (term time)	55	57
Others (administration, kitchen, maintenance and sports centre)	33	33
	<u>88</u>	<u>90</u>

The key management personnel of the school are detailed in the Governors' Report.

	2022	2021
	£	£
Aggregate employee benefits of key management personnel	<u>895,399</u>	<u>827,431</u>

None of the Governors received any remuneration or other benefits from the school or any connected body.

**9 Operating Surplus**

	2022	2021
	£	£
Included within the operating surplus for the year are the following:		
<b>Charitable Activities - Education</b>		
Operating lease rentals (inc. VAT)	49,568	46,552
<b>Governance</b>		
Auditors' fees – audit services (inc. VAT)	12,790	12,240
Auditors' fees – other services (inc. VAT)	10,425	12,660

As described in the notes to the accounts, no separate Statement of Financial Activities has been prepared for the School alone. The School contributed £98,518 to the surplus of the Group for the year (2021: £120,501 to the deficit).

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2022

**10 Tangible Fixed Assets**

The movement of tangible fixed assets was as follows:

<b>THE GROUP</b>	Freehold property	Electrical, computer & garden equipment	Fixtures, fittings, tools & equipment	TOTAL
	£	£	£	£
<b>Cost</b>				
At beginning of year	11,116,312	418,883	718,493	12,253,688
Additions	137,571	52,258	71,038	260,867
At end of year	<u>11,253,883</u>	<u>471,141</u>	<u>789,531</u>	<u>12,514,555</u>
<b>Accumulated Depreciation</b>				
At beginning of year	3,510,808	289,723	387,810	4,188,341
Charge for year	290,007	75,623	78,776	444,406
At end of year	<u>3,800,815</u>	<u>365,346</u>	<u>466,586</u>	<u>4,632,747</u>
<b>Net Book Value</b>				
At beginning of year	7,605,504	129,160	330,683	8,065,347
At end of year	<u>7,453,068</u>	<u>105,795</u>	<u>322,945</u>	<u>7,881,808</u>
<b>THE COMPANY</b>				
<b>Cost</b>				
At beginning of year	11,006,312	418,883	718,493	12,143,688
Additions	137,571	52,258	71,038	260,867
At end of year	<u>11,143,883</u>	<u>471,141</u>	<u>789,531</u>	<u>12,404,555</u>
<b>Accumulated Depreciation</b>				
At beginning of year	3,510,808	289,723	387,810	4,188,341
Charge for year	290,007	75,623	78,776	444,406
At end of year	<u>3,800,815</u>	<u>365,346</u>	<u>466,586</u>	<u>4,632,747</u>
<b>Net Book Value</b>				
At beginning of year	7,495,504	129,160	330,683	7,955,347
At end of year	<u>7,343,068</u>	<u>105,795</u>	<u>322,945</u>	<u>7,771,808</u>

The freehold property shown in the accounts of the company relates to improvements made to the freehold property owned by the subsidiary company and is therefore added to freehold property in the accounts of the group. The market value of freehold properties is estimated by the Governors to be in excess of the book value at the year end.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2022

**11 Investment in Subsidiary**

	2022 £	2021 £
Shares at cost	71,534	71,534

The Company owns 100% of the shares of the subsidiary company The Hawthorns (Pendell Court) Limited, company number 700823, which owns the freehold of the premises occupied by the Trust. Both companies are incorporated in the United Kingdom and registered in England and Wales.

The trading results of The Hawthorns (Pendell Court) Limited for the year ended 5 April 2022 are:

Profit for the year	£Nil	(Company was dormant)
Capital and Reserves	£64,507	

**12 Debtors**

	The Group		The Company	
	2022 £	2021 £	2022 £	2021 £
Fees receivable	1,645,841	1,135,694	1,645,817	1,135,670
Other debtors	14,380	13,152	14,380	13,152
Prepayments	125,385	114,702	125,385	114,702
Loan to subsidiary company	-	-	45,276	45,276
<b>TOTAL</b>	<b>1,785,606</b>	<b>1,263,548</b>	<b>1,830,858</b>	<b>1,308,800</b>

**13 Creditors due within one year**

	The Group		The Company	
	2022 £	2021 £	2022 £	2021 £
Fees charged in advance	2,384,632	1,959,524	2,384,632	1,959,524
Bank loans and overdrafts	119,446	273,367	119,446	273,367
Other creditors and school fees received in advance (Note 15)	639,381	299,977	639,141	299,737
Accruals	42,736	35,276	42,736	35,276
<b>TOTAL</b>	<b>3,186,195</b>	<b>2,568,144</b>	<b>3,185,955</b>	<b>2,567,904</b>

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2022

**14 Creditors due after more than one year**

	The Group		The Company	
	2022	2021	2022	2021
	£	£	£	£
Long term loans	435,370	554,927	435,370	554,927
Advanced Fees Payments Scheme due more than one year	161,482	146,837	161,482	146,837
<b>TOTAL</b>	<b>596,852</b>	<b>701,764</b>	<b>596,852</b>	<b>701,764</b>
<b>Loan maturity analysis</b>				
Repayable in less than 1 year (Note 13)	119,446	91,872	119,446	91,872
Repayable in 1-2 years	123,826	119,341	123,826	119,341
Repayable in 2-5 years	311,550	385,406	311,550	385,406
Repayable in more than 5 years	-	51,041	-	51,041
<b>TOTAL</b>	<b>554,822</b>	<b>647,660</b>	<b>554,822</b>	<b>647,660</b>

The Trust has two 15 Year, fixed interest loans, each initially of £500,000.

The Trust also has a CBILS loan. Loan repayments commenced during the year. The loan was interest free for the first 12 months. Interest is now charged at 2.11%.

Total loan repayments during the year were £91,744 (2021: £71,265).

The Trust also has a Bank overdraft facility. The loans and the overdraft are secured by a fixed and floating charge on the Group's freehold property.

**15 Advanced Fees Payment Scheme**

Parents may enter into a contract to pay the School tuition fees in advance. The money may be returned, subject to specific conditions, upon the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as below:

	2022	2021
	£	£
Due within one year	120,176	53,988
Advanced Fees Payments Scheme due more than one year	161,482	146,837
<b>TOTAL</b>	<b>281,658</b>	<b>200,825</b>

The balance represents the accrued liability under the contracts.

The movements during the year were:

	2022	2021
	£	£
Balance at beginning of the year	200,825	144,477
Amounts received during the year	175,663	132,849
Amounts credited to pupil accounts for fees	(94,830)	(76,501)
<b>Balance at end of year</b>	<b>281,658</b>	<b>200,825</b>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2022

**16 Restricted Fund**

The Hawthorns Foundation provides a long term fund to assist the School with bursary awards and to provide funds for specific capital projects. Donations are received predominantly from current and former parents and from Old Hawthornians.

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2022 £
The Hawthorns Foundation	386,407	-	-	(67,437)	318,970
<b>Designation of Fund</b>					
Bursary Fund	166,928	-	-	(67,437)	99,491
Capital Projects Fund	182,149	-	-	-	182,149
Endowment Fund	37,330	-	-	-	37,330
<b>TOTAL</b>	<b>386,407</b>	<b>-</b>	<b>-</b>	<b>(67,437)</b>	<b>318,970</b>

The School contributed £Nil (2021: £Nil) towards the running costs of The Hawthorns Foundation.

The Bursary Fund transfer represents bursaries utilised in the year.

**17 Unrestricted Fund**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2022 £
The Company	5,728,552	6,834,262	(6,735,744)	67,437	5,894,507
The Group	5,721,526	6,834,262	(6,735,744)	67,437	5,887,481

## 18 Net Assets Between Funds of the Group

At 31 August 2022	Unrestricted £	Restricted £	Group £
Fixed Assets	7,881,808	-	7,881,808
Current Assets	1,788,720	318,970	2,107,690
Current Liabilities	(3,186,195)	-	(3,186,195)
Long-term Liabilities	(596,852)	-	(596,852)
	<u>5,887,481</u>	<u>318,970</u>	<u>6,206,451</u>

At 31 August 2021	Unrestricted £	Restricted £	Group £
Fixed Assets	8,065,347	-	8,065,347
Current Assets	926,087	386,407	1,312,494
Current Liabilities	(2,568,144)	-	(2,568,144)
Long-term Liabilities	(701,764)	-	(701,764)
	<u>5,721,526</u>	<u>386,407</u>	<u>6,107,933</u>

## 19 Operating Leases

Total lease commitments for assets held under operating leases are £61,221 (2021: £106,920).

	2022 £	2021 £
Within one year	33,825	45,699
Between two and five years	27,396	61,221
	<u>61,221</u>	<u>106,920</u>

## 20 Governors' Remuneration, Reimbursement of expenses and Interests in Contracts

No remuneration was provided to any Governors during the year. No governors were reimbursed travel expenditure during the year (2021: £Nil).

Mr B J C Dyer, the Chair of Governor, was a director of Bradley Dyer Raw Limited that the company provides advertising production service worth of £1,711 (2021: £1,596) to The Hawthorns School. These services are provided at preferential rates.

## 21 Pension Costs

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £500,790 (2021: £495,673) and at the year-end £Nil (2021 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## **21 Pension Costs (continued)**

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take place in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The School also operates a defined contribution pension scheme for non-teaching staff. The pension charge for the year includes contributions payable to this scheme of £53,368 (2021: £49,062) and at the year-end £Nil (2021: £Nil) was accrued in respect of contributions to this scheme.

## **22 Control**

The company is limited by guarantee with no one member having overall control.

## **23 Capital commitments**

Amounts contracted for but not provided in the financial statements are £1,820,983 plus VAT in relation to the New Nursery Building.

**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

England & Wales - Charity number 312067

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# Accounts

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THE  
HAWTHORNS  
SCHOOL

**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

(a Registered Charity and Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School

**GOVERNORS' ANNUAL REPORT AND AUDITED  
CONSOLIDATED ACCOUNTS**

**For the year ended 31 August 2021**

Company Registration Number-00949504

Charity Commission Registration-Number-312067

The Hawthorns Educational Trust Limited

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The Hawthorns Educational Trust Limited

## **GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**

Year Ended 31 August 2021

The Governors (who are also directors of the Charity for the purposes of the Companies Act) present their Annual Report, together with the Audited Accounts of The Hawthorns Educational Trust Limited (the Company) for the year ended 31 August 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the School's Memorandum and Articles of Association, and 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 2015).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hawthorns School was founded in 1926. The Hawthorns School Educational Trust Limited (the Trust) is a company limited by guarantee, number 00949504, and was registered at Companies House on 7 March 1969. The Trust is a registered charity, number 312067, registered at the Charity Commission on 7 May 1970. The charity is governed by its Memorandum and Articles of Association dated 7 May 1970. The charity operates The Hawthorns School, a co- educational pre-preparatory and preparatory school for pupils aged 2 to 13, in Bletchingley, Surrey.

#### **Governors**

The Governors, who are the directors of the Group for the purposes of company law, and are the charity trustees, for the purposes of charity law, during the year and since, were as follows:

Mr BJC Dyer \*

Mr LWJ Baart \*

Mr RJ Buckingham \*

Mr MJ Dockery \*

Mr JP Edwards – resigned 9th June 2021

Mr KE Kahwa \* \*\* - appointed 15th January 2021

Mr RHC Kirkland \*

Mr HJW Oliver \* - appointed 1st February 2021

Ms KV Paynter – resigned 30th September 2020

Mrs SE Raja \* \*\* - appointed 1st February 2021

Mr SJO Roche \* - appointed 11th January 2021

Mr DWJ Searle \* \*\*

Mr MB Tinker \* \*\* - appointed 11th February 2021

Mrs HCM Tongue – resigned 18th March 2021

\* Governor, director and charity trustee at date of signing these accounts.

\*\* Parent of current pupil at date of signing these accounts.

### **Governing body**

Governors are elected by the governing body. At each annual general meeting the nearest number to one third of the total Governors retire and are eligible for re-election. The Governors to retire each year are those who have been longest in office since their last election.

In order to maintain a broad skill mix, Governors are selected from a wide range of professions and, in the event of particular skills being lost due to retirement; individuals with the requisite skills are approached to offer themselves for election to the governing body.

Governors derive no financial benefit from their office other than as shown in the notes to the accounts, but are reimbursed for any travel or administrative expenses.

The Group benefits from the generous giving of their time and it is estimated that during the year over 750 hours have been spent by the Governors on governance matters.

### **Governor induction and training**

Governor induction, following appointment, comprises the review of a portfolio of documentation covering all aspects of the Group, including the most recent audited accounts, the Memorandum and Articles of Association, copies of Board Meeting Minutes, School Prospectus, recent newsletters to parents, staff lists with responsibilities, governance documentation with sub-committee details and a copy of the Charity Commission publication, 'The Essential Trustee'.

Governors are expected to attend subcommittee meetings (depending on their skills; see subcommittee details below) as required and to attend termly Board Meetings. Governors are encouraged to visit the School during term time, to meet the pupils, Headmaster, Bursar and Senior Leadership Team.

Training, after appointment, is provided by comprehensive mailing of information relevant to the School's day to day activities and by a formal training session held each year at a board meeting. The Chairman of Governors attends an outside training course run by IAPS (Independent Association of Preparatory Schools) during the first year of office. Governors are encouraged to visit the Charity Commission website for up to date information.

The Hawthorns Educational Trust Limited  
**GROUP GOVERNORS' ANNUAL REPORT (incorporating a Group Strategic Report)**  
Year Ended 31 August 2021

Key executives, professional advisers and contact information:

Headmaster	Mr A E Floyd
Bursar and Company Secretary	Mr D St John Parker (appointed 12th April 2021)
Senior Leadership Team	Mr A Duggan, Miss S C Fowler, Mr M W Goldhawk, Mr A J Morris, Mr R J Temlett (resigned 31st August 2021), Mr S J Walton (resigned 31st August 2021), Mrs F E Westwood and Mrs K A Wyborn.
Address and Registered Office	The Hawthorns Educational Trust Limited T/A The Hawthorns School Pendell Court Bletchingley, Surrey RH1 4QJ
Bankers	Lloyds Bank plc 1 London Road Redhill Surrey RH1 1ND
Auditors	TC Group The Courtyard Shoreham Road Upper Seeding Steyning West Sussex BN44 3TN
School Website	<a href="http://www.hawthorns.com">www.hawthorns.com</a>
Email	<a href="mailto:office@hawthorns.com">office@hawthorns.com</a>

## **Organisational management**

The Governors determine the general policy of the Trust. The key management personnel of the School are the Governors, the Headmaster, the Bursar and the Senior Leadership Team. The Governors meet, as a body, at least once each term. Various sub-committees meet to deal with matters during the year as required. At the date of signing these accounts the sub-committees comprise:

### **Education subcommittee**

SE Raja (Chair), the Headmaster and other senior School staff. This committee works to improve the quality of education in the School.

### **Finance and General Purposes subcommittee**

DWJ Searle (Chairman), LWJ Baart, BJC Dyer, MJ Dockery, RHC Kirkland, Mr HJW Oliver, the Headmaster and the Bursar. This committee covers The Hawthorns Foundation, finance, estates, staffing and general management of the School.

### **Marketing subcommittee**

BJC Dyer (Chairman), the Headmaster, other School personnel as appropriate and co-opted parents. This committee deals with the marketing and presentation of the School.

### **Health and Safety subcommittee**

MJ Dockery (Chairman), the Bursar and other School staff. This committee is responsible for agreeing health and safety policies and strategy across the School.

### **Safeguarding & HR subcommittee**

RJ Buckingham (Chairman), the Headmaster and other senior School staff. This committee is responsible for safeguarding, recruitment, welfare and retention of employees of the School.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

## **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The objects are set out in the Memorandum of Association as the education of girls and boys aged 2 to 13. It is the aim of the Trust, as an independent educational establishment, to lay academic, physical and moral foundations of the highest quality. These foundations will equip the School's pupils with self-confidence and a desire to contribute to the wider community and, in preparing them for the next stage of their education, will enable them to face and overcome the many challenges of life ahead.

In setting objectives and planning activities, the Governors have given due consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

## **STRATEGIC REVIEW**

### **Achievements and Performance**

This year was significantly affected by the global Covid 19 pandemic. The commencement of the new academic year saw children arrive back to school with a raft of protective measures and restrictions as the School followed all government and PHE guidance. As numbers increased nationally it was apparent that the School enjoyed very low rates of infection.

Following an increase in cases nationally, the school closed its site to normal education in January in line with government instructions, remaining open thereafter for care of newly named Critical Worker children, who averaged 70 a day. Remote learning and a full virtual timetable was provided to all year groups except the Nurseries, with a great degree of success, especially amongst the older children. Families whose income had been immediately and drastically impacted by the pandemic were invited to contact the School for fee support.

The school reopened to all year groups for the Summer Term. Normal education resumed with lunches in classrooms, bubbles, staggered drop off and pick up and careful management of gatherings etc. Year 6-8 were able to enjoy a residential trip each conducted according to covid rules and regulations. Sports Days were a great success outside for each individual year groups and outside gatherings within permitted parameters. The finale – the Year 8 play was recorded and shared with pupils and parents as a outside broadcast. Prize-Giving was recorded and streamed.

Efforts continue to ensure that no suitable pupil is denied an education at the School on the grounds of affordability. Accordingly, the Governors are pleased to offer means-tested bursaries (assisted places) to parents with limited income. During the year bursary awards were made to 8 pupils (2020: 11) and their value was £86,907 (2020: £119,371). In total, financial support of all kinds during the year (excluding the Covid adjustment applied to all pupils in the Summer 2021 term) was 5.61% of gross fee income (2020: 6.52%).

### **Financial Review**

The Trust received total income of £5,993,340 (2020: £6,583,148) and the consolidated net outgoing resources for the year amounted to £120,501 (2020: net incoming resources of £104,809). The results for the year include the net outgoing resources from restricted funds of £1,205 (2020: net incoming resources of £4,309) for The Hawthorns Foundation. Total funds carried forward were £6,107,933 which includes £386,407 of restricted funds (2020: £6,228,434 which included £385,202 of restricted funds). The balance of £5,721,526 is held as unrestricted funds (2020: £5,843,232).

Capital expenditure has been undertaken to make improvements to the School facilities. This amounted to £196,474 during the year (2020: £280,298). There is a plan of continuous upgrading of the School's facilities in order to keep pace with the requirements of a leading pre-preparatory and preparatory school.

### **Investment in subsidiary**

The Trust owns 100% of the shares of its subsidiary company, The Hawthorns (Pendell Court) Limited, which in turn owns the freehold of the premises occupied by the Trust. The accounts consolidate the financial statements of both companies.

The subsidiary is a non-trading, dormant company and the latest un-audited accounts have been made up to 5 April 2021 and it is these accounts that have been used in the consolidation. Both companies are incorporated in the United Kingdom and registered in England and Wales.

### **Reserves policy**

All unrestricted funds are used to finance building development projects and generally improve the overall facilities of the School. Donations towards specific projects are included within restricted funds. Donations to The Hawthorns Foundation are allocated to restricted funds. General donations are allocated to unrestricted funds. The Governors have assessed the assets available and the obligations of the Trust and have concluded that the assets are sufficient to meet its obligations, based on current operations and pupil numbers.

### **Plans for Future Periods**

The year 2021/22 has started with the full reopening of the school in a Covid safe manner. This has involved continued use of the staggered drop off system which was widely praised and the continued emphasis on hand hygiene, deep cleaning and effective ventilation. Fixtures have resumed with limited hospitality. Early Morning and After School Care have restarted to assist working parents and a full schedule of Clubs and Activities have extended the provision and opportunity for children beyond the end of the normal school day.

The roll out of the IT strategy continues with the replacement of ageing Interactive White boards to the majority of classrooms. Years 3 and 4 have been issued with iPads for their own use.

Capital projects under consideration include the design and erection of a new Nursery facility allowing a full day care provision for the first time. This would allow the School to continue to attract local families who require fuller nursery care than the School is currently able to offer.

### **Principal Risks and Uncertainties**

The Governors assess the major risks to which the School is exposed, particularly relating to its operations and finances, on a regular basis. The most significant risk is considered to be a possible fall in the number of pupils attending the School, especially in a post Covid landscape. The Governors are satisfied that, overall, the systems in place, having due regard to the nature and resources of the School, adequately manage exposure to such risks.

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the directors of The Hawthorns Educational Trust Limited for the purposes of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and its subsidiary and of the incoming resources and application of resources, including the income and expenditure, of the group for that year. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

## AUDITORS

A resolution proposing the re-appointment of TC Group as auditors to the company will be put to the annual general meeting.

This report, incorporating the Strategic Report, was approved by the Governors on 31/03/21 and signed on behalf of the board by



BJC Dyer  
Chair of Governors

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2021

## **Opinion**

We have audited the financial statements of The Hawthorns Educational Trust Limited (the 'charitable company') for the year ended 31 August 2021. 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 group's and the parent charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

### **Other information**

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

### **Opinions 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 Governors' annual report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors (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 Governors 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the Governors' and other management (as required by auditing standards), and discussed with the Governors' and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, school inspections, DBS checks and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

The Hawthorns Educational Trust Limited  
**INDEPENDENT AUDITOR'S REPORT**  
Year Ended 31 August 2021

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Cummins FCCA (Senior Statutory Auditor)**  
for and on behalf of TC Group  
**Statutory Auditors**  
Office: Steyning, West Sussex

Dated:

The Hawthorns Educational Trust Limited  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Income & Expenditure Account)  
Year Ended 31 August 2021

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>		2,322	1,205	3,527	21,762
<b>Charitable activities</b>					
Fees receivable	3	5,559,521	-	5,559,521	5,697,427
<b>Other trading activities</b>					
Sports Centre	4	327,080	-	327,080	360,114
Protection fees		1,587	-	1,587	4,080
<b>Other income</b>	5	<u>101,625</u>	<u>-</u>	<u>101,625</u>	<u>499,765</u>
<b>Total Income</b>		<u><b>5,992,135</b></u>	<u><b>1,205</b></u>	<u><b>5,993,340</b></u>	<u><b>6,583,148</b></u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Sports Centre		470,251	-	470,251	508,115
Fundraising (The Hawthorns Foundation)		3,187	-	3,187	3,293
<b>Charitable Activities</b>					
Education		<u>5,640,403</u>	<u>-</u>	<u>5,640,403</u>	<u>5,966,931</u>
<b>Total Expenditure</b>	6	<u><b>6,113,841</b></u>	<u><b>-</b></u>	<u><b>6,113,841</b></u>	<u><b>6,478,339</b></u>
<b>NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS</b>		<b>(121,706)</b>	<b>1,205</b>	<b>(120,501)</b>	<b>104,809</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>5,843,232</u>	<u>385,202</u>	<u>6,228,434</u>	<u>6,123,625</u>
<b>Total funds carried forward</b>		<u><b>5,721,526</b></u>	<u><b>386,407</b></u>	<u><b>6,107,933</b></u>	<u><b>6,228,434</b></u>

This statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All activities are classed as continuing.

There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED BALANCE SHEET**  
As at 31 August 2021

	Notes	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		8,065,347		8,321,870
<b>CURRENT ASSETS</b>					
Debtors	12	1,263,548		1,447,311	
Cash at bank and in hand		<u>48,946</u>		<u>399,770</u>	
Total Current Assets		1,312,494		1,847,081	
Creditors, due within one year	13	<u>(2,568,144)</u>		<u>(3,404,852)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(1,255,650)</b>		<b>(1,557,771)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		(701,764)		(535,665)
<b>TOTAL NET ASSETS</b>			<b><u>6,107,933</u></b>		<b><u>6,228,434</u></b>
<b>Represented by</b>					
Unrestricted Fund	17		5,721,526		5,843,232
Restricted Fund	16		<u>386,407</u>		<u>385,202</u>
<b>TOTAL NET FUNDS</b>			<b><u>6,107,933</u></b>		<b><u>6,228,434</u></b>

These accounts were approved by the board on

B J C Dyer


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Chair

D W J Searle


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Governor

Company number 00949504.

The Hawthorns Educational Trust Limited  
**COMPANY BALANCE SHEET**  
As at 31 August 2021

	Notes	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Tangible Assets	10		7,955,347		8,211,870
Investment in subsidiary	11		<u>71,534</u>		<u>71,534</u>
			<b>8,026,881</b>		<b>8,283,404</b>
<b>CURRENT ASSETS</b>					
Debtors	12	1,308,800		1,492,565	
Cash at bank and in hand		<u>48,946</u>		<u>399,770</u>	
Total Current Assets		1,357,746		1,892,335	
Creditors, due within one year	13	<u>(2,567,904)</u>		<u>(3,404,612)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(1,210,158)</b>		<b>(1,512,777)</b>
<b>LONG TERM LIABILITIES</b>					
Creditors, due after more than one year	14		<u>(701,764)</u>		<u>(535,665)</u>
<b>TOTAL NET ASSETS</b>			<b><u>6,114,959</u></b>		<b><u>6,235,462</u></b>
<b>Represented by</b>					
Unrestricted Fund	17		5,728,552		5,850,260
Restricted Fund	16		<u>386,407</u>		<u>385,202</u>
<b>TOTAL NET FUNDS</b>			<b><u>6,114,959</u></b>		<b><u>6,235,462</u></b>

These accounts were approved by the board on

B J C Dyer

  
Chair

D W J Searle

  
Governor

Company number 00949504.

The Hawthorns Educational Trust Limited  
**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 August 2021

	£	2021 £	£	2020 £
<b>Cash flows from operating activities:</b>				
<b>Net income/expenditure for the year</b>	(120,501)		104,809	
<b>Adjustments for:</b>				
Depreciation	450,497		418,081	
Decrease/(Increase) in debtors	183,763		216,853	
(Decrease)/Increase in creditors	<u>93,950</u>		<u>(532,215)</u>	
<b>Net cash provided by/(used in) operating activities</b>		607,709		207,528
<b>Cash flows from investing activities</b>				
Proceeds from the sale of property, plant and equipment	2,500		-	
Purchase of tangible fixed assets	<u>(196,474)</u>		<u>(280,298)</u>	
<b>Net cash provided by/(used in) investing activities</b>		(193,974)		(280,298)
<b>Cash flows from financing activities</b>				
Cash inflows from new borrowing	200,000		-	
Repayments of borrowing	<u>(71,265)</u>		<u>(67,505)</u>	
<b>Net cash provided by/(used in) financing activities</b>		128,735		(67,505)
<b>Change in cash and cash equivalent in the year</b>		<u>542,470</u>		<u>(140,275)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		(675,019)		(534,744)
<b>Cash and cash equivalents at the end of the year</b>		<u>(132,549)</u>		<u>(675,019)</u>
<b>Analysis of cash and cash equivalents</b>				
Cash at bank and in hand		48,946		399,770
Overdraft facility payable on demand		<u>(181,495)</u>		<u>(1,074,789)</u>
<b>Total cash and cash equivalents</b>		<u>(132,549)</u>		<u>(675,019)</u>

## NOTES TO THE ACCOUNTS

Year ended 31 August 2021

### 1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Governors' annual report.

### 2 ACCOUNTING POLICIES

#### Basis of preparation

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS 102)) and Financial Reporting Standard 102.

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

After reviewing the charity's forecasts and projections, the Governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its accounts. This takes into account any known impact of the Covid-19 pandemic.

#### Currency

The Group presents its accounts in Sterling and figures are rounded to the nearest £.

#### Group accounts

The accounts consolidate the results of the charity and its wholly owned subsidiary The Hawthorns (Pendell Court) Limited on a line by line basis. A separate Statement of Financial Activities (including income and expenditure account) for the charity has not been presented as the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The subsidiary is a non-trading, dormant company. Its latest un-audited accounts have been made up to 5 April 2021 and it is these accounts that have been used in the consolidation.

#### Income

Donations received for the general purposes of the School are credited to unrestricted funds except insofar as they are incapable of financial measurement. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the charity.

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken to income in the term when used or else refunded. They are stated after deducting bursaries, scholarships and other fee remissions granted by the School.

Sports centre, rental and investment income are accounted for in the period in which they are receivable. Other incoming resources are accounted for when received.

#### Expenditure

Expenditure is accounted for on an accruals basis, with value added tax included within the item of expense to which it relates. Overhead and other costs not directly attributable to a particular functional activity category are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the cost of board and committee meetings and of preparing statutory accounts and satisfying public accountability.

Irrecoverable VAT is attributed directly to the cost to which it relates.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2021

**Assets**

Fixed assets are shown on the balance sheet at cost less accumulated depreciation. Current assets are shown at the lower of cost and net realisable value.

**Depreciation**

Depreciation is provided on fixed assets to write off their cost over their estimated useful lives at the following rates:

Freehold and short leasehold property	2% to 10% straight line
Electrical, computer & garden equipment	20% straight line
Fixtures, fittings, tools & equipment	10% straight line

**Pension schemes**

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The Teachers' Pension Scheme is an unfunded scheme. Contributions on a "pay as you go" basis are credited to the exchequer under arrangements governed by the Superannuation act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 102, the Teachers' Pension Scheme is a multi-employer pension scheme. The school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to personal pension schemes for non-teaching staff.

**Operating lease rentals**

Rentals paid in respect of assets held under operating leases are taken to the Statement of Financial Activities as they fall due.

**Investments**

Investments consist of a shareholding in the group subsidiary and are held at cost.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments. The Governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Debtors**

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

**Fund accounting**

Unrestricted funds comprise those funds which can be used in accordance with the charitable objectives at the discretion of the Governors.

Restricted funds are those funds which can be used in accordance with the specific restrictions imposed by the donor or which have been raised by the charity for a specific purpose. The cost of raising and administering such funds is charged against the funds and the School reimburses the costs from unrestricted funds. The aim and use of each restricted fund is set out further in the notes to the accounts.

**Turnover**

The turnover of the charity is wholly attributable to the object of the charity as stated in the Governors' Report and is earned entirely within the UK.

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2021

**Taxation**

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

Deferred taxation in the subsidiary company arising on the valuation of the freehold is not provided for as, in the opinion of the directors of the Group, the liability is unlikely to arise.

**Critical accounting estimates and judgements**

In the application of the Group's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Governors do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

<b>3 Income from Charitable Activities</b>	2021	2020
	£	£
Gross fees	5,783,330	6,245,618
Less: bursaries, scholarships and discounts	(324,367)	(407,470)
Less: COVID adjustments	(103,071)	(377,114)
	<u>5,355,892</u>	<u>5,461,034</u>
Extras	203,629	236,393
	<u><u>5,559,521</u></u>	<u><u>5,697,427</u></u>

<b>4 Income from Other Trading Activities</b>	2021	2020
	£	£
Sports Centre income	308,830	342,585
Other lettings and activities	18,250	17,529
	<u>327,080</u>	<u>360,114</u>
Net commission receivable	-	4,080
	<u><u>327,080</u></u>	<u><u>364,194</u></u>

<b>5 Other income</b>	2021	2020
	£	£
Insurance reclaim	-	210,033
Furlough grant income	101,625	289,732
	<u>101,625</u>	<u>499,765</u>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2021

**6 Analysis of Expenditure**

	Staff Costs	Other	Depreciation	Total 2021	Total 2020
	£	£	£	£	£
<b>Cost of raising funds</b>					
Fundraising	3,187	-	-	3,187	3,293
Lettings (inc. Sports Centre exp)	338,707	131,544	-	470,251	508,115
<b>Total cost of raising funds</b>	<b>341,894</b>	<b>131,544</b>	<b>-</b>	<b>473,438</b>	<b>511,408</b>
Teaching	3,168,335	190,234	179,076	3,537,645	3,690,938
Welfare	-	408,014	-	408,014	392,286
Premises	172,700	409,040	271,421	853,161	847,031
Finance costs	-	34,341	-	34,341	49,206
Support and Governance	434,816	372,426	-	807,242	987,470
<b>Total charitable expenditure</b>	<b>3,775,851</b>	<b>1,414,055</b>	<b>450,497</b>	<b>5,640,403</b>	<b>5,966,931</b>
<b>Total Expenditure</b>	<b>4,117,745</b>	<b>1,545,599</b>	<b>450,497</b>	<b>6,113,841</b>	<b>6,478,339</b>

**Analysis of support and Governance costs**

	2021	2020
	£	£
Governance costs:		
Auditors' remuneration for audit services	12,240	11,880
	<u>12,240</u>	<u>11,880</u>
Support costs:		
Auditors' remuneration for non audit services	12,660	16,452
Support staff wages, national insurance and pension	434,816	532,091
Other support costs	347,526	427,047
	<u>807,242</u>	<u>987,470</u>

Net Income is stated after charging £46,552 (2020: £48,643) to operating lease rentals included within premises costs.

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2021

**7 Comparative Statement of Financial Activities – Year Ended 31 August 2020**

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
<b>INCOME FROM:</b>			
<b>Donations and legacies</b>	16,951	4,811	21,762
<b>Charitable activities</b>			
Fees receivable	5,706,547	(9,120)	5,697,427
<b>Other trading activities</b>			
Sports Centre	360,114	-	360,114
Protection fees	4,080	-	4,080
<b>Other income</b>	<u>499,765</u>	<u>-</u>	<u>499,765</u>
<b>Total Income</b>	<u><b>6,587,457</b></u>	<u><b>(4,309)</b></u>	<u><b>6,583,148</b></u>
<b>EXPENDITURE ON:</b>			
<b>Raising funds</b>			
Sports Centre	508,115	-	508,115
Fundraising (The Hawthorns Foundation)	3,293	-	3,293
<b>Charitable Activities</b>			
Education	<u>5,966,931</u>	<u>-</u>	<u>5,966,931</u>
<b>Total Expenditure</b>	<u><b>6,478,339</b></u>	<u><b>-</b></u>	<u><b>6,478,339</b></u>
<b>NET INCOME</b>	<b>109,118</b>	<b>(4,309)</b>	<b>104,809</b>
<b>Net movement in funds</b>			
Fund balances brought forward	<u>5,734,114</u>	<u>389,511</u>	<u>6,123,625</u>
<b>Fund balances carried forward</b>	<u><b>5,843,232</b></u>	<u><b>385,202</b></u>	<u><b>6,228,434</b></u>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2021

**8 Staff Costs**

	2021	2020
	£	£
Salaries and wages	3,265,602	3,487,647
Social security costs	307,441	322,300
Pension costs	544,702	567,925
	<u>4,117,745</u>	<u>4,377,872</u>

Number of employees whose emoluments for the year exceeded £60,000	2021	2020
£60,000 to £69,999	2	2
£100,000 to £109,999	-	1
£120,000 to £129,999	-	1
£130,000 to £139,999	1	-

Contributions totalling £60,252 (2020: £65,447) were made during the year to a pension scheme on behalf of the above employees.

The average monthly headcount was 128 staff (2020: 140 staff) and the average monthly number of full time equivalent employees during the year was:

	2021	2020
Teaching and teaching assistants (term time)	57	61
Others (administration, kitchen, maintenance and sports centre)	33	35
	<u>90</u>	<u>96</u>

The key management personnel of the school are detailed in the Governors' Report.

During the year settlement payments of £nil (2020: £78,891) were made to former employees in respect of structural reorganisation.

	2021	2020
	£	£
Aggregate employee benefits of key management personnel	<u>827,431</u>	<u>960,389</u>

None of the Governors received any remuneration or other benefits from the school or any connected body.

**9 Operating Surplus**

	2021	2020
	£	£

Included within the operating surplus for the year are the following:

**Charitable Activities - Education**

Operating lease rentals (inc. VAT)	46,552	48,643
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**Governance**

Auditors' fees – audit services (inc. VAT)	12,240	11,880
Auditors' fees – other services (inc. VAT)	12,660	16,452

As described in the notes to the accounts, no separate Statement of Financial Activities has been prepared for the School alone. The School contributed £120,501 to the deficit of the Group for the year (2020: £104,809 to the surplus).

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2021

**10 Tangible Fixed Assets**

The movement of tangible fixed assets was as follows:

<b>THE GROUP</b>	Freehold property	Electrical, computer & garden equipment	Fixtures, fittings, tools & equipment	TOTAL
	£	£	£	£
<b>Cost</b>				
At beginning of year	11,032,301	530,200	670,862	12,233,363
Additions	84,011	64,832	47,631	196,474
Disposals	-	(176,149)	-	(176,149)
At end of year	<u>11,116,312</u>	<u>418,883</u>	<u>718,493</u>	<u>12,253,688</u>
<b>Accumulated Depreciation</b>				
At beginning of year	3,239,387	355,694	316,412	3,911,493
Charge for year	271,421	107,678	71,398	450,497
Disposals	-	(173,649)	-	(173,649)
At end of year	<u>3,510,808</u>	<u>289,723</u>	<u>387,810</u>	<u>4,188,341</u>
<b>Net Book Value</b>				
At beginning of year	7,792,914	174,506	354,450	8,321,870
At end of year	<u>7,605,504</u>	<u>129,160</u>	<u>330,683</u>	<u>8,065,347</u>

**THE COMPANY**

<b>Cost</b>				
At beginning of year	10,922,301	530,200	670,862	12,123,363
Additions	84,011	64,832	47,631	196,474
Disposals	-	(176,149)	-	(176,149)
At end of year	<u>11,006,312</u>	<u>418,883</u>	<u>718,493</u>	<u>12,143,688</u>
<b>Accumulated Depreciation</b>				
At beginning of year	3,239,387	355,694	316,412	3,911,493
Charge for year	271,421	107,678	71,398	450,497
Disposals	-	(173,649)	-	(173,649)
At end of year	<u>3,510,808</u>	<u>289,723</u>	<u>387,810</u>	<u>4,188,341</u>
<b>Net Book Value</b>				
At beginning of year	7,682,914	174,506	354,450	8,211,870
At end of year	<u>7,495,504</u>	<u>129,160</u>	<u>330,683</u>	<u>7,955,347</u>

The freehold property shown in the accounts of the company relates to improvements made to the freehold property owned by the subsidiary company and is therefore added to freehold property in the accounts of the group. The market value of freehold properties is estimated by the Governors to be in excess of the book value at the year end.

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2021

**11 Investment in Subsidiary**

	2021 £	2020 £
Shares at cost	71,534	71,534

The Company owns 100% of the shares of the subsidiary company The Hawthorns (Pendell Court) Limited, company number 700823, which owns the freehold of the premises occupied by the Trust. Both companies are incorporated in the United Kingdom and registered in England and Wales.

The trading results of The Hawthorns (Pendell Court) Limited for the year ended 5 April 2021 are:

Profit for the year	£Nil	(Company was dormant)
Capital and Reserves	£64,507	

**12 Debtors**

	The Group		The Company	
	2021 £	2020 £	2021 £	2020 £
Fees receivable	1,135,694	1,248,019	1,135,670	1,248,019
Other debtors	13,152	66,010	13,152	65,988
Prepayments	114,702	133,282	114,702	133,282
Loan to subsidiary company	-	-	45,276	45,276
<b>TOTAL</b>	<b>1,263,548</b>	<b>1,447,311</b>	<b>1,308,800</b>	<b>1,492,565</b>

**13 Creditors due within one year**

	The Group		The Company	
	2021 £	2020 £	2021 £	2020 £
Fees charged in advance	1,959,524	1,759,284	1,959,524	1,759,284
Bank loans and overdrafts	273,367	1,145,938	273,367	1,145,938
Other creditors and school fees received in advance (Note 15)	299,977	414,799	299,737	414,559
Accruals	35,276	84,831	35,276	84,831
<b>TOTAL</b>	<b>2,568,144</b>	<b>3,404,852</b>	<b>2,567,904</b>	<b>3,404,612</b>

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2021

**14 Creditors due after more than one year**

	The Group		The Company	
	2021 £	2020 £	2021 £	2020 £
Long term loans	554,927	446,915	554,927	446,915
Advanced Fees Payments Scheme due more than one year	146,837	88,750	146,837	88,570
<b>TOTAL</b>	<b>701,764</b>	<b>535,665</b>	<b>701,764</b>	<b>535,665</b>
<b>Loan maturity analysis</b>				
Repayable in less than 1 year (Note 13)	91,872	71,149	91,872	71,149
Repayable in 1-2 years	119,341	75,205	119,341	75,205
Repayable in 2-5 years	385,406	251,464	385,406	251,464
Repayable in more than 5 years	51,041	120,246	51,041	120,246
<b>TOTAL</b>	<b>647,660</b>	<b>518,064</b>	<b>647,660</b>	<b>518,064</b>

The Trust has two 15 Year, fixed interest loans, each initially of £500,000. Total repayments during the year were £71,265 (2020: £67,385).

The Trust also took out a CBILS loan during the year. There were no repayments during the year. This is interest free for the first 12 months.

The Trust also has a Bank overdraft facility. The loans and the overdraft are secured by a fixed and floating charge on the Group's freehold property.

**15 Advanced Fees Payment Scheme**

Parents may enter into a contract to pay the School tuition fees in advance. The money may be returned, subject to specific conditions, upon the receipt of one term's notice. Assuming pupils will remain in the School, advance fees will be applied as below:

	2021 £	2020 £
Due within one year	53,988	55,727
Advanced Fees Payments Scheme due more than one year	146,837	88,750
<b>TOTAL</b>	<b>200,825</b>	<b>144,477</b>

The balance represents the accrued liability under the contracts.

The movements during the year were:	2021 £	2020 £
Balance at beginning of the year	144,477	362,605
Amounts received during the year	132,849	20,155
Amounts credited to pupil accounts for fees	(76,501)	(238,283)
<b>Balance at end of year</b>	<b>200,825</b>	<b>144,477</b>

The Hawthorns Educational Trust Limited  
**NOTES TO THE ACCOUNTS**  
Year ended 31 August 2021

**16 Restricted Fund**

The Hawthorns Foundation provides a long term fund to assist the School with bursary awards and to provide funds for specific capital projects. Donations are received predominantly from current and former parents and from Old Hawthornians.

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
The Hawthorns Foundation	385,202	1,205	-	-	386,407
<b>Designation of Fund</b>					
Bursary Fund	165,723	1,205	-	-	166,928
Capital Projects Fund	182,149	-	-	-	182,149
Endowment Fund	37,330	-	-	-	37,330
<b>TOTAL</b>	<b>385,202</b>	<b>1,205</b>	<b>-</b>	<b>-</b>	<b>386,407</b>

The School contributed £Nil (2020: £Nil) towards the running costs of The Hawthorns Foundation.

**17 Unrestricted Fund**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
The Company	5,850,260	5,890,510	(6,012,218)	-	5,728,552
The Group	5,843,232	5,890,510	(6,012,216)	-	5,721,526

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2021

**18 Net Assets Between Funds of the Group**

	Unrestricted	Restricted	Group
	£	£	£
<b>At 31 August 2021</b>			
Fixed Assets	8,065,347	-	8,065,347
Current Assets	926,087	386,407	1,312,494
Current Liabilities	(2,568,144)	-	(2,568,144)
Long-term Liabilities	(701,764)	-	(701,764)
	<u>5,721,526</u>	<u>386,407</u>	<u>6,107,933</u>
<b>At 31 August 2020</b>			
Fixed Assets	8,321,870	-	8,321,870
Current Assets	1,461,879	385,202	1,847,081
Current Liabilities	(3,404,852)	-	(3,404,852)
Long-term Liabilities	(535,665)	-	(535,665)
	<u>5,843,232</u>	<u>385,202</u>	<u>6,228,434</u>

**19 Operating Leases**

Total lease commitments for assets held under operating leases are £106,920 (2020: £112,341).

	2021	2020
	£	£
Within one year	45,699	46,552
Between two and five years	61,221	65,789
	<u>106,920</u>	<u>112,341</u>

**20 Governors' Remuneration, Reimbursement of expenses and Interests in Contracts**

No remuneration was provided to any Governors during the year. No governors were reimbursed travel expenditure during the year (2020: two Governors were reimbursed £276).

Mr B J C Dyer, the Chair of Governor, was a director of Bradley Dyer Raw Limited that the company provides advertising production service worth of £1,596 (2020: £6,089) to The Hawthorns School. These services are provided at preferential rates.

**21 Pension Costs**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £495,673 (2020: £513,981) and at the year-end £Nil (2020 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## **21 Pension Costs (continued)**

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The School also operates a defined contribution pension scheme for non-teaching staff. The pension charge for the year includes contributions payable to this scheme of £49,062 (2020: £54,034) and at the year-end £Nil (2020: £Nil) was accrued in respect of contributions to this scheme.

## **22 Control**

The company is limited by guarantee with no one member having overall control.