

Charity Registration No. 800284

Company Registration No. 2270044 (England and Wales)

HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	C Aldridge H Davies A Siddiqui M Hornsby N Newman A Brown S Pepper A Skinnard J Mackay D Smith
Secretary and Bursar	G Bunning
Head Teacher	E Rees
Charity number	800284
Company number	2270044
Registered office	Hornsby House School Hearnville Road London SW12 8RS
Auditor	Ward Williams Belgrave House 39-43 Monument Hill Weybridge Surrey KT13 8RN
Bankers	Child & Co Bankers 1 Fleet Street EC4Y 1BD
Solicitors	Barlow Robbins Solicitors The Oriel Sydenham Road Guildford Surrey GU1 3SR

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**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees, who are also Directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The School places equal emphasis on two strategic aims: first, to encourage every pupil to attain the highest academic standards according to his or her ability (the opportunity to benefit from the School's extensive co-curricular activities plays a part in this); second, in terms of pastoral care (a longstanding characteristic of the School), to ensure that all pupils are treated equally, with respect and are valued.

The intended effect is to develop all pupils' abilities and academic potential to the full; to awaken and develop a wider interest in life and in the society in which they live; to encourage personal integrity and self-esteem; and to help and motivate each pupil to achieve a successful transition to the secondary school of their choice.

Principal activity

Hornsby House School's principal activity is the provision of a non-selective day school education for boys and girls aged 4 - 11 years. The School is currently fully subscribed.

Objectives for the year

The Board's main objective has been to continue to enhance academic, sporting and co-curricular activities, standards and facilities without detriment to standards of pastoral care.

The School has achieved this by maintaining a high teacher-to-pupil ratio; by investing in staff and facilities; and by tailoring the School's services where appropriate to suit changing individual or collective needs.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the School should undertake.

Public benefit

The Charities Act 2006 made changes which affect the School, principally removing the presumption in law that education is for public benefit. The effect of this is a requirement that educational charities demonstrate the public benefit they provide. The Charity Commission has provided guidelines on the changes together with an analysis of the law affecting charities.

In meeting the School's objects, the public benefit aim of Hornsby House School is to provide a first-class independent education, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to create an environment in which all pupils can develop their full potential, thus building their self-confidence and encouraging a desire to contribute to the wider community.

In furtherance of these aims, the Board has complied with the duty in s. 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act. In carrying out this charitable duty, the Governors give careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplemental guidance on public benefit in relation to the advancement of education and on fee-charging. The School is a registered charity and is very involved in seeking wider benefits for the public in line with its educational objectives and work to ensure that wherever possible the opportunity for a first-class education is available, irrespective of financial circumstances, to children who would benefit from the activities of the School.

HORNSBY HOUSE EDUCATIONAL TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Grant-making

The School provides those unable to pay the full costs with grants towards fees through its Bursary Scheme. All applications for bursaries are based on personal and means-tested circumstances. The applications are reviewed by the Headmaster, the Bursar, and the Board of Governors.

The School currently supports two pupils with full remission of this year's fees. The Governors recognise the need to increase progressively the number of pupils receiving 100% bursaries. The School has launched a Scholarship and Bursary Scheme aimed at children whose families would not otherwise be able to consider private education and are actively seeking applications for these bursaries through external advertising and promotion on our website.

Hornsby House has a longstanding collaboration with the Institute of Education and The University of Roehampton, offering work placements during the school year to students undertaking the PGCE. The School also participates in the Schools Direct Programme, an employment based route into teaching for experienced graduates leading to Qualified Teaching Status.

The school's public benefit programme is managed and co-ordinated by Mr Mark Peters, Deputy Head, Co-Curriculum, Outreach & Partnership, who is working with local primary schools and sports clubs to develop a range of initiatives in the local community.

Our mission is to promote, develop and deliver learning opportunities and experiences open to all through a range of activities to enrich learning across the curriculum and beyond.

This year we started to work with Spencer Lynx a registered charity (no. 1188217) that provides free weekend hockey sessions to local state primary school children that have not had the opportunity to play hockey. The goal is to increase physical and mental wellbeing of the children, and at the same time give them all the benefits that flow from being part of a club.

We continue to build on previous Outreach & Partnership initiatives with two schools - Lark Hall Primary School in Lambeth and Trinity St Mary's School in Balham - where a significant number of children at both schools are in receipt of free school meals and over 65% of pupils at both schools are eligible for deprivation Pupil Premium. We are working with both schools to develop learning opportunities for staff and pupils. Due to the restrictions placed on us by the current pandemic, however, it has been difficult to plan for further shared activities since March 2020, however we were able to provide lunch for those staff at Trinity St Mary's who supported key worker children whilst their school was closed during lockdown.

Hornsby House School continues its partnership with Hillbrook School, donating to the School a contribution for four Coram Beanstalk reading helpers.

In the local wider community, two of the School's Deputy Heads serve on the Governing Bodies of local maintained primary schools.

The School supported Trinity Fields Trust (Charity no. 1060813) in its negotiations with Sir Walter St. John's Educational Charity to negotiate a new lease and continues to support the Trust via participation in an annual rental agreement to use its playing fields. The income generated by this agreement is sufficient to ensure that the Trust's normal operating costs are substantially met year on year and will enable the Trust to build a more broadly based outreach programme for children and young persons under the age of 25 years who are resident in the London Boroughs of Wandsworth and Lambeth.

Strategic report

The description under the headings "Achievements and performance" and "Reserves policy" meet the company law requirements for the Trustees to present a strategic report.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)**

FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

Operational performance of the School

Despite the challenges faced by all educational establishments, Hornsby House enjoyed another successful year. For the second consecutive year the normal operating procedures were significantly impacted by the COVID pandemic. The school reopened with considerable restrictions imposed by the Department for Education in Autumn 2020. Pupils were taught in separate year groups including for Games and this curtailed many intra-school events such as House Competitions and celebration assemblies or choirs.

In line with other schools throughout the UK, we were closed for seven weeks of the spring term to comply with Government directives, remaining open for the children of key workers.

The success of the remote learning programme is a truly remarkable achievement and is a reflection of the highly talented and very dedicated people working at Hornsby House and the tremendous support the School has received from parents over the last year.

School reopened on 8 March 2021. A full risk assessment was undertaken and much planning took place during the lead up to, and during the preceding half-term, in order to comply with the restrictions that were in place.

The Governors elected to give all families a fee rebate for the spring term, to acknowledge the impact of the lock down.

The School continues to fulfil, its aim of providing a broad, balanced and differentiated curriculum and co-curriculum for all children.

The School was visited by the Independent Schools Inspectorate in October 2019 for them to undertake a Regulatory Compliance Inspection. Regulatory Compliance Inspections report on a school's compliance with the Independent School Standards Regulations, and where applicable the National Minimum Standards for Boarding Schools and the Early Years Foundation Stage (EYFS). These inspections result in a binary judgement of 'met' or 'not met' against each applicable standard. Safeguarding, welfare, health and safety are a priority for all inspections. The Inspection found that the School is fully compliant with all regulations.

The School's excellent reputation in the area has ensured strong demand for places and healthy numbers on the roll. The School remains committed to promoting the children's core values and developing social skills that will equip them well in life beyond primary school. This is achieved through an exciting and relevant curriculum and the provision of a wide range of before and after school clubs, giving children opportunities to work as a team and learn new skills. The location of the School also allows for a rich and varied programme of educational trips and visiting speakers.

The children are supported by highly qualified and motivated staff. The provision of excellent resources and facilities remains a key priority for new investment. The ratio of staff to pupils remains excellent.

The School does not select children on the basis of academic assessment but according to a first come, first served registration process. The academic process of the School is notable, receiving a number of offers from some of the most demanding schools in the country. Hornsby House enjoyed another extremely strong year at 11+. All pupils secured a place at their choice of preparatory or senior school and a significant number of pupils have again gained academic, sports, music, art and drama scholarships and exhibitions.

The school's success is dependent on its financial stability. To this end, the principal financial indicators targeted and monitored by the Governors include current and prospective pupil numbers, annual surplus, and cash.

HORNSBY HOUSE EDUCATIONAL TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

The results for the year are set out in detail on page 15. With income of £6,898,662 the School generated an operating surplus of £400,637 (2020: £647,304). This surplus has been applied primarily in financing new capital expenditure.

The reserves of the School represent the unrestricted funds which the Governors are free to use in accordance with its charitable objects. The reserves held are required to finance the freehold property and to cover normal fluctuations in working capital. The reserves have accumulated to £10,344,324 and reflect the significant cost of the School's freehold land and buildings.

Funding of recent capital projects and necessary day-to-day working capital is being met by careful management of the School's cash resources, together with additional funding from the School's bankers where necessary.

Fund-raising activities

The School supports many local charities and other local organisations in its ongoing endeavour to widen public access to its schooling, to optimise the use of its cultural and sporting facilities and to awaken in its pupils a keen awareness of the social context within which they and the School exist.

The School distributed funds for other charities totalling £17,193 (2020: £15,066) during the year. The following charities, selected by parents, staff and pupils, were helped during the year:

	2021 (£)
Spence Lynx Hockey	2,385
United World Schools	8,000
Rainbow World Day	596
Bookmark Reading Charity	454
Coram Beandtalk - Volunteer Reading Helpers	3,420
Motor Neuron Disease	2,338
	<hr/> 17,193 <hr/>

In addition to the funds donated by the School, the Hornsby House School PTA organised events throughout the year, donating £12,000 to various local charities.

Reserves policy

The reserves held are required to finance the freehold property and to cover normal fluctuations in working capital. The reserves have accumulated to £10,344,324 and reflect the significant investment in the School's land and buildings.

All funds are unrestricted and £6,907,881 represent the tangible fixed assets of the School. Available reserves amounted to £3,436,453. The School retains a policy of retaining a minimum reserves to ensure adequate financial stability and the means to meet its charitable objectives for the foreseeable future. The Governors maintain their commitment to fund the continuing program of refurbishment, development and investment to improve further teaching facilities for our pupils.

Investment policy

The Charity's powers of investment are governed by the Trust Act 2000. The Board continues to keep under review the investment risks and rewards in the current state of the market and its policy is to put short-term cash balances on bank deposit.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees have assessed the major risks to which the School is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Governors have maintained their commitment to the improvement of the School's infrastructure and retaining a minimum of reserves to ensure adequate financial stability and the means to meet its charitable objective for the foreseeable future.

Plans for the future

The Board is constantly striving to enhance and develop the School and its links with the local community, and continues its robust oversight of the School. Evaluation and improvements to governance are part of the School's strategic plan.

The School has a long-term rental agreement with a local sports club Battersea Ironsides. As part of the agreement, the School funded a 4G Astroturf on the site and the improvement of the netball courts. This agreement secured high-quality sports facilities for existing and future generations of Hornsby House pupils, and the local community and ensures that both the School and the Club can continue to provide excellent coaching and promote an inclusive sporting community for children and adults.

The School continues to improve its facilities and the planned extension, reconfiguring the ground floor of the Mavis Gotto building, was completed. The new extension includes an enhanced and more welcoming entrance and reception area for visitors and improved welfare facilities for staff. It has also enabled the School to re-locate the Design and Technology and Learning Support Departments from temporary accommodation to a permanent home.

The School continued to upgrade its IT infrastructure and in recent years has made significant investments in both hardware and network infrastructure to develop further the use of information and communication technology and its application across the curriculum.

The pandemic also led to significant improvements in the School's virtual learning platform and the training of all staff in using a variety of online educational options.

Hornsby House recognise that environmental responsibility is an important aspect of running a successful long-term business and the commitment to sustainability is fundamental to our educational ethos. The Environmental and Sustainability Policy forms part of the School Development Plan and is to be reviewed annually by the Senior Management Team, the School Council, the Eco-Committee and the Governors. The School uses resources such as the Schools Action Climate Action Planner to help identify actions they can take to reduce the environmental impact and monitor progress towards the objective of reducing our carbon footprint.

During the year, a Diversity and Inclusion initiative was launched to focus on finalising our development plan for the start of the new school year in September 2021.

The aim is to develop practical solutions to address identified diversity and inclusion issues and improve communication to promote belonging & inclusivity within the Hornsby Community.

HORNSBY HOUSE EDUCATIONAL TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

The School is governed by the provisions of the Articles of Association and constitutes a Limited Company, limited by guarantee, as defined by the Companies Act 2006.

The word "Limited" is omitted by licence of the Department of Trade & Industry.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

C Aldridge
H Davies
A Siddiqui
M Hornsby
N Newman
A Brown
S Pepper
A Skinnard
J Mackay
D Smith

Governors are elected at a meeting of the Board of Governors on the basis of nominations received from the Governors that meet the Board's criteria concerning eligibility, competence, specialist skills, experience and residence in proximity to the School.

Governors serve for a term of three years and are eligible to stand for re-election. This may be extended at the discretion of and subject to any conditions imposed by the Board of Governors. In accordance with the provision of Clause 36 of the Articles of Association, the following Governors are due to retire by rotation:

- Corinne Aldridge
- Amanda Brown
- Huw Davies
- Michael Hornsby
- Susan Pepper

Three Governors have been in office for longer than the nine (three times three) years recommended by Lord Hodgson's review of the Charities Act 2006. Transitional arrangements are being put in place to attend to this matter.

New Governors are inducted into the workings of Hornsby House as a school and also a Registered Charity, including its Board policy and procedures, at an induction workshop specially organised for them by the Head and the Bursar.

As part of continuous professional development, individual Governors regularly attend tailored seminars in key aspects of school governance and management run by AGBIS (Association of Governing Bodies of Independent Schools), IAPS (Independent Association of Preparatory Schools) and ISBA (Independent Schools Bursars' Association) or other appropriate organisations.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)**

FOR THE YEAR ENDED 31 AUGUST 2021

Risk management

The Board has a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board monitors the School's activities on a continuous basis, particularly with regard to major risks that might conceivably arise as identified in the School's Risk Management Policy document, as well as the systems and procedures established to manage them. The Board also monitors the effectiveness of internal control processes and other issues, including insurance cover where appropriate, by which those risks can best be mitigated. A formal review of risk management processes is undertaken by the Board on an annual basis.

The Governors have identified the following risks to which the School is currently exposed:

- Governance, including compliance with applicable regulations and legislation
- Safeguarding of pupils
- Financial control
- Disaster planning
- Loss of reputation
- Health and safety
- Recruitment and retention of quality staff
- Political position of independent schools

To mitigate these risks, the Board has in place key controls, which include:

- Formal mechanisms for the operation of the Governing Body
- Safeguarding and vetting procedures as required by law for the protection of children and vulnerable adults
- Regular review of formal written policies and procedures
- Comprehensive strategic planning, budgeting and accounting procedures
- Risk assessments for individual activities and departments
- Financial and legal advice, taken as required

HORNSBY HOUSE EDUCATIONAL TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational management

The Board meets at least three times a year to determine the general policy of the Charity and review its overall management and control, for which it is legally responsible. The work of implementing most of the Board's policies is carried out at these meetings when budgets and annual accounts and reports are also reviewed. They are supported in carrying out their responsibilities by the Finance and General Purposes Committee, which meets at least once a term prior to the Governors' meeting, and a Remuneration Committee, which reviews and sets the pay and remuneration of the Senior Management Team. The Chair and Head meet on a termly basis, the designated safeguarding Governor regularly meets with the Designated Safeguarding Lead and all Governors are encouraged to visit the School to observe lessons and meet staff on a regular basis.

The day-to-day running of the School is delegated to the Head and the Bursar, supported by other teaching members of the Senior Management Team comprising the Senior Deputy Head, Deputy Head (Pastoral), Deputy Head (Co-curricular, Outreach & Partnerships), Director of Studies, Assistant Head and the Head of Early Years. Management structures have been developed to provide regular forums for the discussion of academic, pastoral and financial matters.

Organisational structure and relationships

Hornsby House School is an active member of the Independent Association of Preparatory Schools (IAPS) whose role is the promotion and maintenance of standards in preparatory schools. Hornsby House also takes part in IAPS peer group studies for the evaluation of quality and performance-improvement methods. The School also subscribes to a number of other organisations relating to independent schools' education.

Hornsby House benefits from the generosity of a thriving Parents' Association (the HHS PTA) which supports the School's vibrant, happy community by organising numerous fundraising and social events for parents, teachers and pupils, such as a Christmas Market, Quiz Supper and Summer Fete. Their close support is gladly acknowledged and appreciated.

Employee involvement

All staff are encouraged to be involved in school events. Teachers are also expected to play an important role in the School's community life by becoming associated with one of the six Houses within the School, planning and taking part in events such as educational trips (including residential trips when appropriate), assemblies and other more informal social events.

Information of matters of concern to employees is given through weekly staff meetings which seek to achieve a common awareness on the part of all employees of the socio-economic and financial factors affecting the School's performance.

At 31 August 2021, the School employed a total of 73 teachers and assistant teaching staff and 12 support staff.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)**

FOR THE YEAR ENDED 31 AUGUST 2021

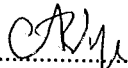
Auditor

The auditor, Ward Williams, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the Trustees 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 auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.


.....
C Aldridge
Trustee
Dated: 22.5.22.....

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

The trustees, who are also directors of Hornsby House Educational Trust for the purposes of company law, are responsible for preparing the Trustees' Annual Report, including the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

HORNSBY HOUSE EDUCATIONAL TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HORNSBY HOUSE EDUCATIONAL TRUST

Opinion

We have audited the financial statements of Hornsby House Educational Trust (the 'School') for the year ended 31 August 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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 accounts* section of our report. We are independent of the School in accordance with the ethical requirements that are relevant to our audit of the accounts 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Schools's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF HORNSBY HOUSE EDUCATIONAL TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF HORNSBY HOUSE EDUCATIONAL TRUST**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the following were most significant: the Companies Act 2006, the Charities Act 2011.
- We obtained an understanding of how the charity are complying with those legal and regulatory frameworks by making inquiries to the management of the charity. We corroborated our inquiries through our review of correspondence during our audit work.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular and journal entries posted with unusual account combinations; and assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE TRUSTEES OF HORNSBY HOUSE EDUCATIONAL TRUST

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ward Williams

Ward Williams

25/5/22
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**Chartered Accountants
Statutory Auditor**

Belgrave House
39-43 Monument Hill
Weybridge
Surrey
KT13 8RN

Ward Williams is eligible for appointment as auditor of the School by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
<u>Income from:</u>			
Donations and legacies	3	9,152	19,571
Charitable activities	4	6,860,962	6,602,485
Other income	5	27,983	64,978
Investments	6	565	12,657
Total income		6,898,662	6,699,691
<u>Expenditure on:</u>			
Raising funds	7	-	8,948
Charitable activities	8	6,501,004	6,042,010
Other	12	(2,979)	1,429
Total resources expended		6,498,025	6,052,387
Net income for the year/ Net movement in funds		400,637	647,304
Fund balances at 1 September 2020		9,943,687	9,296,383
Fund balances at 31 August 2021		10,344,324	9,943,687

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL POSITION**

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Property, plant and equipment	13		6,907,881		7,015,861
Current assets					
Debtors falling due after one year	15	233,000		248,000	
Debtors falling due within one year	15	137,249		122,402	
Cash at bank and in hand		5,077,625		4,165,958	
		<u>5,447,874</u>		<u>4,536,360</u>	
Current liabilities	16	(1,044,419)		(688,393)	
Net current assets			4,403,455		3,847,967
Total assets less current liabilities			11,311,336		10,863,828
Non-current liabilities	17		(967,012)		(920,141)
Net assets			<u>10,344,324</u>		<u>9,943,687</u>
Income funds					
Unrestricted funds			10,344,324		9,943,687
			<u>10,344,324</u>		<u>9,943,687</u>

The financial statements were approved by the Trustees on 22/5/22

C Aldridge
C Aldridge
Trustee

A Brown
A Brown
Trustee

Company Registration No. 2270044

HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	23		1,373,291		664,552
Investing activities					
Purchase of property, plant and equipment		(465,204)		(1,489,152)	
Proceeds on disposal of property, plant and equipment		3,015		269	
Interest received		565		12,657	
Net cash used in investing activities			(461,624)		(1,476,226)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			911,667		(811,674)
Cash and cash equivalents at beginning of year			4,165,958		4,977,632
Cash and cash equivalents at end of year			<u>5,077,625</u>		<u>4,165,958</u>

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1 Accounting policies

Charity information

Hornsby House Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Hornsby House School, Hearnville Road, London, SW12 8RS.

1.1 Accounting convention

The accounts have been prepared in accordance with the School's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The School is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives, unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the School is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the School has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the School has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School.

Government grants relate to Covid-19 support that was available and are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Income is measured at the fair value of the consideration received or receivable and represents gross fees invoiced minus credit notes raised. Fees are charged in the period the tuition is provided. Fees invoiced in advance of the education to be provided are shown within creditors as "fees in advance".

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

1 Accounting policies

(Continued)

1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

School operating costs are included in charitable activities. Other costs include general School costs.

Governance costs include those costs incurred in the governance of the School and are primarily associated with constitutional and statutory requirements.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	4% per annum on straight line basis
Minor freehold improvements	20% per annum on straight line basis
Fixtures and fittings	20% per annum on straight line basis
Computers	33% per annum on straight line basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The difference between the carrying value of freehold land and buildings and the market value has not been quantified. The Governors consider that obtaining a current valuation would incur significant costs which would be onerous and inconsistent with the benefit which might be gained by the users of the accounts.

Finance costs have not been capitalised but expensed when incurred.

1.7 Impairment of non-current assets

At each reporting end date, the School reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Liabilities are recognised initially at historical cost and subsequently measured at the best estimate of the amount required to settle the obligation at the period end date. Any provision or liability which will settle over several years will be adjusted to reflect its reduced value in today's terms, where material.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

1 Accounting policies

(Continued)

1.9 Financial instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the School's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

Value added tax

Value added tax is not recoverable by the School and as such is included in the relevant costs in the Statement of Financial Activities.

Taxation

The School is exempt from corporation tax on its charitable activities.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

1 Accounting policies

(Continued)

1.12 Retirement benefits

The School contributes to the Teachers' Pension Agency Defined Benefits Scheme at rates set by the scheme actuary and advised to the School by the scheme administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are not attributable to the School. In accordance with FRS102, the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme administrator.

The School also contributes to other schemes, as stated in note 18.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due, in accordance with the rules of the schemes.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.14 Advance fee payments and parent deposits

Parents may enter into an arrangement with the School to pay tuition fees in advance. There is no interest paid on the advance fees and future fees are not capped. The advance payments are recorded as deferred income until the criteria for income recognition are met. Fees will be recognised in the period to which they relate. Parents also pay deposits to secure a child's future place at the School. These are refundable and are reflected within the School's liabilities on the Statement of Financial Position.

1.15 Government grants

Government grants relate to Covid-19 support that was available and are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and judgements

In the application of the School's accounting policies, the Trustees 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Discounting of non-current parent deposits held

The School has discounted the parental deposits that are expected to be held for over one year, based on an assumed cost of capital rate. The cost of capital was decided upon after evaluating current interest rates and the School's current debt position and will continue to be reviewed on an annual basis.

Classification of leases

The School has undertaken an analysis to classify the leases it holds as a lessee, as either operating or finance leases. The accounting policy for leases has been applied to these arrangements and the assets are recognised as operating lease arrangements, with the relating expense charged through the School's Statement of Financial Activities.

Key sources of estimation uncertainty

Depreciation of tangible fixed assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Financial Activities and increased carrying amount of assets in the Statement of Financial Position.

The useful lives of the School's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

3 Donations and legacies

	2021	2020
	£	£
Donations and gifts - Fundraising events	9,152	19,571

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

4 Charitable activities

	2021	2020
	£	£
School fees	6,473,617	6,333,460
Extra lessons/clubs/trips	191,447	122,109
School registration fees	27,700	24,800
Discounts given	(138,317)	(125,660)
Catering	305,448	244,505
Other income	1,067	3,271
	<u>6,860,962</u>	<u>6,602,485</u>

5 Other income

	2021	2020
	£	£
Government grants - JRS	<u>27,983</u>	<u>64,978</u>

6 Investments

	2021	2020
	£	£
Interest receivable	<u>565</u>	<u>12,657</u>

7 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	<u>-</u>	<u>8,948</u>

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

8 Charitable activities (School operating costs)

	2021 £	2020 £
Staff costs	4,391,290	4,260,209
Depreciation	573,148	410,659
Class materials and lesson costs	276,108	313,703
Catering costs	321,966	257,450
Charitable donations	17,193	15,066
Staff welfare	76,525	62,585
Playing fields rental	168,833	157,025
Establishment costs	432,846	299,960
Legal and professional fees	10,799	9,661
Sundry expenses	25,102	12,790
Advertising and marketing	71,009	78,782
Computer and printing costs	75,874	100,720
Entertaining	692	8,866
Other charitable expenditure	51,219	46,134
	<u>6,492,604</u>	<u>6,033,610</u>
Governance costs (see note 9)	8,400	8,400
	<u>6,501,004</u>	<u>6,042,010</u>
Analysis by fund		
Unrestricted funds	6,501,004	
	<u>6,501,004</u>	
For the year ended 31 August 2020		
Unrestricted funds		6,042,010
		<u>6,042,010</u>

9 Governance costs

	2021 £	2020 £
Audit fees	8,400	8,400
	<u>8,400</u>	<u>8,400</u>

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

10 Trustees

None of the Trustees received any remuneration or benefits from the School during the year.

There were no Governors' expenses paid for the year ended 31 August 2021 or for the year ended 31 August 2020.

11 Employees

Number of employees

The average monthly number employees during the year was:

	2021 Number	2020 Number
Teaching and support staff	82	81
Administration, IT and catering staff	12	13
	<u>94</u>	<u>94</u>

Employment costs

	2021 £	2020 £
Wages and salaries	3,442,329	3,331,007
Social security costs	351,316	335,530
Other pension costs	597,645	593,672
	<u>4,391,290</u>	<u>4,260,209</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,000 - £69,999	2	2
£70,000 - £79,999	1	1
£80,000 - £89,999	2	2
£100,000 - £109,999	1	1
	<u>6</u>	<u>6</u>

12 Other expenditure

	2021 £	2020 £
Net (profit) / loss on disposal of tangible fixed assets	(2,979)	1,429
	<u>(2,979)</u>	<u>1,429</u>

HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

13 Property, plant and equipment

	Freehold buildings £	Assets under construction £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 September 2020	7,398,747	2,738,103	1,335,310	630,161	12,102,321
Additions	2,587	200,980	239,521	22,116	465,204
Disposals	-	-	(99,990)	(14,531)	(114,521)
Transfers	2,939,083	(2,939,083)	-	-	-
At 31 August 2021	10,340,417	-	1,474,841	637,746	12,453,004
Depreciation and impairment					
At 1 September 2020	3,675,845	-	881,800	528,815	5,086,460
Depreciation charged in the year	364,440	-	144,738	63,970	573,148
Eliminated in respect of disposals	-	-	(99,954)	(14,531)	(114,485)
At 31 August 2021	4,040,285	-	926,584	578,254	5,545,123
Carrying amount					
At 31 August 2021	6,300,132	-	548,257	59,492	6,907,881
At 31 August 2020	3,722,902	2,738,103	453,510	101,346	7,015,861

The carrying value of land included in land and buildings comprises:

	2021 £	2020 £
Freehold	1,000,000	1,000,000

All fixed assets are used for charitable purposes.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

14 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	288,093	277,178
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,924,699	1,527,583
	<u> </u>	<u> </u>
15 Trade and other receivables		
	2021	2020
	£	£
Amounts falling due within one year:		
Trade receivables	40,093	14,178
Other receivables	15,000	15,000
Prepayments and accrued income	82,156	93,224
	<u> </u>	<u> </u>
	137,249	122,402
	<u> </u>	<u> </u>
Amounts falling due after more than one year:	2021	2020
	£	£
Other receivables	233,000	248,000
	<u> </u>	<u> </u>
Total debtors	370,249	370,402
	<u> </u>	<u> </u>
16 Current liabilities		
	2021	2020
	£	£
Other taxation and social security	86,732	80,951
Trade payables	128,984	83,239
Other payables	175	-
Accruals and deferred income	828,528	524,203
	<u> </u>	<u> </u>
	1,044,419	688,393
	<u> </u>	<u> </u>

In the past, bank loans were secured on the freehold property of the school. They were repaid in full during the year ended 31 August 2016.

Legal charges continue to exist over the assets of the School in favour of The Royal Bank of Scotland; however, no loans are outstanding in relation to these charges.

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

17 Non-current liabilities

	2021 £	2020 £
Accruals and deferred income	967,012	920,141

18 Retirement benefit schemes

Defined contribution schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £541,595 (2020: £463,426) and at the year-end £65,152 (2020: £69,009) 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 2014.

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. The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government deferred the implementation of this increase to 1 September 2015. In addition, from 1 September 2015, employers pay a scheme administration levy of 0.08% of the employers' salary cost, which increased the total employer payment rate to 16.48%. The latest revision to the employer contribution rate has taken effect from 1st September 2019. The employer contribution has now increased to 23.68%.

For all other employees, the School makes contributions into two defined contribution pension schemes administered by Scottish Widows and Legal & General, respectively. As at the balance sheet date, there were 2 active members of the Scottish Widows scheme and 27 employees enrolled in the Legal & General scheme. The assets of the two schemes are held separately from those of the School in independently administered funds.

19 Analysis of net assets between funds

	Total £
Fund balances at 31 August 2021 are represented by:	
Property, plant and equipment	6,907,881
Current assets/(liabilities)	4,403,455
Long term liabilities	(967,012)
	<u>10,344,324</u>

HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

20 Operating lease commitments

At the reporting end date the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	2,054	24,996
Between two and five years	-	2,054
	<u>2,054</u>	<u>27,050</u>

21 Contingent Liabilities

There is a contingent liability relating to the Trinity Fields contracts of £250,000.

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>537,886</u>	<u>509,227</u>

The School paid £1,156 for insurance for professional indemnity and governors' liability (2020: £1,005).

23 Cash generated from operations

	2021 £	2020 £
Surplus for the year	400,637	647,304
Adjustments for:		
Investment income recognised in statement of financial activities	(565)	(12,657)
(Gain)/loss on disposal of property, plant and equipment	(2,979)	1,429
Depreciation and impairment of property, plant and equipment	573,148	410,659
Movements in working capital:		
Decrease in trade and other receivables	153	50,554
Increase/(decrease) in trade and other payables	402,897	(432,737)
Cash generated from operations	<u><u>1,373,291</u></u>	<u><u>664,552</u></u>

**HORNSBY HOUSE EDUCATIONAL TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
*FOR THE YEAR ENDED 31 AUGUST 2021***

24 Analysis of changes in net funds

The School had no debt during the year.

