



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

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

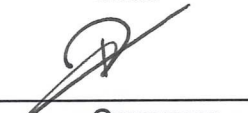
	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible Assets	10		7,881,808		8,065,347
CURRENT ASSETS					
Debtors	12	1,785,606		1,263,548	
Cash at bank and in hand		<u>322,084</u>		<u>48,946</u>	
Total Current Assets		2,107,690		1,312,494	
Creditors, due within one year	13	<u>(3,186,195)</u>		<u>(2,568,144)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

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 £
FIXED ASSETS					
Tangible Assets	10		7,771,808		7,955,347
Investment in subsidiary	11		<u>71,534</u>		<u>71,534</u>
			7,843,342		8,026,881
CURRENT ASSETS					
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>	
NET CURRENT LIABILITIES			(1,033,013)		(1,210,158)
LONG TERM LIABILITIES					
Creditors, due after more than one year	14		<u>(596,852)</u>		<u>(701,764)</u>
TOTAL NET ASSETS			<u>6,213,477</u>		<u>6,114,959</u>
Represented by					
Unrestricted Fund	17		5,894,507		5,728,552
Restricted Fund	16		<u>318,970</u>		<u>386,407</u>
TOTAL NET FUNDS			<u>6,213,477</u>		<u>6,114,959</u>

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

3 Income from Charitable Activities	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>
4 Income from Other Trading Activities	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>
5 Other income	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
	£	£	£	£	£
Cost of raising funds					
Fundraising	250	-	-	250	3,187
Lettings (inc. Sports Centre exp)	387,181	257,705	-	644,886	470,251
Total cost of raising funds	387,431	257,705	-	645,136	473,438
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	3,977,042	1,669,160	444,406	6,090,608	5,640,403
Total Expenditure	4,364,473	1,926,865	444,406	6,735,744	6,113,841

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 £
INCOME FROM:			
Donations and legacies	2,322	1,205	3,527
Charitable activities			
Fees receivable	5,559,521	-	5,559,521
Other trading activities			
Sports Centre	327,080	-	327,080
Protection fees	1,587	-	1,587
Other income	<u>101,625</u>	<u>-</u>	<u>101,625</u>
Total Income	<u>5,992,135</u>	<u>1,205</u>	<u>5,993,340</u>
EXPENDITURE ON:			
Raising funds			
Sports Centre	470,251	-	470,251
Fundraising (The Hawthorns Foundation)	3,187	-	3,187
Charitable Activities			
Education	<u>5,640,403</u>	<u>-</u>	<u>5,640,403</u>
Total Expenditure	<u>6,113,841</u>	<u>-</u>	<u>6,113,841</u>
NET INCOME	(121,706)	1,205	(120,501)
Net movement in funds			
Fund balances brought forward	<u>5,843,232</u>	<u>385,202</u>	<u>6,228,434</u>
Fund balances carried forward	<u>5,721,526</u>	<u>386,407</u>	<u>6,107,933</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:		
Charitable Activities - Education		
Operating lease rentals (inc. VAT)	49,568	46,552
Governance		
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:

THE GROUP	Freehold property	Electrical, computer & garden equipment	Fixtures, fittings, tools & equipment	TOTAL
	£	£	£	£
Cost				
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>
Accumulated Depreciation				
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>
Net Book Value				
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>
THE COMPANY				
Cost				
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>
Accumulated Depreciation				
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>
Net Book Value				
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
TOTAL	1,785,606	1,263,548	1,830,858	1,308,800

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
TOTAL	3,186,195	2,568,144	3,185,955	2,567,904

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
TOTAL	596,852	701,764	596,852	701,764
Loan maturity analysis				
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
TOTAL	554,822	647,660	554,822	647,660

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
TOTAL	281,658	200,825

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)
Balance at end of year	281,658	200,825

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
Designation of Fund					
Bursary Fund	166,928	-	-	(67,437)	99,491
Capital Projects Fund	182,149	-	-	-	182,149
Endowment Fund	37,330	-	-	-	37,330
TOTAL	386,407	-	-	(67,437)	318,970

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.