



THE  
HAWTHORNS  
SCHOOL

**THE HAWTHORNS EDUCATIONAL TRUST LIMITED**

(a Registered Charity and Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School

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

**For the year ended 31 August 2023**

Company Registration Number-00949504

Charity Commission Registration-Number-312067

The Hawthorns Educational Trust Limited

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

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

The accounts comply with the Charities Act 2011, the Companies Act 2006, the School's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

### **Governors**

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

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

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

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

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

### **Governing body**

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

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

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

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

### **Governor induction and training**

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

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

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

Key executives, professional advisers and contact information:

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

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

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

### **Organisational management**

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

#### **Education subcommittee**

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

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

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

#### **Marketing subcommittee**

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

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

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

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

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

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

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

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

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

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

## **STRATEGIC REVIEW**

### **Achievements and Performance**

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

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

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

### **Post Balance Sheet event**

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

### **Financial Review**

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

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

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

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

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

### **Reserves policy**

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

### **Plans for Future Periods**

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

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

### **Principal Risks and Uncertainties**

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

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

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

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

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

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

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

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

#### **AUDITORS**

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

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

  
BJC Dyer  
Chair of Governors

*7th December 2023*

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

## **Opinion**

We have audited the financial statements of The Hawthorns Educational Trust Limited (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 August 2023. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

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

**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Governors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 8, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Our approach was as follows:

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

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

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

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

**Use of our report**

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

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

Dated:

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

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

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

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

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

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

These accounts were approved by the board on

B J C Dyer

  
Chair

7th December 2023

D W J Searle

  
Governor

Company number 00949504.

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

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

These accounts were approved by the board on

B J C Dyer

  
\_\_\_\_\_  
Chair

7th December 2023

D W J Searle

  
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Governor

Company number 00949504.

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

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

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

## 1 STATUTORY INFORMATION

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

## 2 ACCOUNTING POLICIES

### Basis of preparation

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

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

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

### Currency

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

### Group accounts

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

### Income

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

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

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

### Expenditure

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

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

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

## NOTES TO THE ACCOUNTS

Year ended 31 August 2023

### Assets

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

### Depreciation

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

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

### Pension schemes

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

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

### Operating lease rentals

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

### Investments

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

### Cash at bank and in hand

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

### Creditors and provisions

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

### Debtors

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

### Fund accounting

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

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

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

**Turnover**

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

**Taxation**

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

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

**Critical accounting estimates and judgements**

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

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

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

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

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

**6 Analysis of Expenditure**

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

**Analysis of support and Governance costs**

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

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

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

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

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

**NOTES TO THE ACCOUNTS**

Year ended 31 August 2023

**8 Staff Costs**

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

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

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

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

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

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

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

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

**9 Operating Surplus**

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

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

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

**10 Tangible Fixed Assets**

The movement of tangible fixed assets was as follows:

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

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

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

**11 Investment in Subsidiary**

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

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

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

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

**12 Debtors**

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

**13 Creditors due within one year**

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



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

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

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

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

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

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

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

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

**15 Advanced Fees Payment Scheme**

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

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

The balance represents the accrued liability under the contracts.

The movements during the year were:

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

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

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

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

**19 Operating Leases**

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

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

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

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

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

**21 Pension Costs**

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

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

**21 Pension Costs (continued)**

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

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

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

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

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

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

**22 Control**

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

**23 Capital commitments**

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

