



THE
HAWTHORNS
SCHOOL

THE HAWTHORNS EDUCATIONAL TRUST LIMITED

(a Registered Charity and Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School

GOVERNORS' ANNUAL REPORT AND AUDITED CONSOLIDATED ACCOUNTS

For the 11 months ended 31 July 2025

Company Registration Number-00949504

Charity Commission Registration-Number-312067

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

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

The accounts comply with the Charities Act 2011, the Companies Act 2006, the School's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Governors

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

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

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

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

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

Governing body

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

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

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

Governor induction and training

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

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

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

Key executives, professional advisers and contact information:

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

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

Bankers	Lloyds Bank plc 1 London Road Redhill Surrey RH1 1ND
Auditors	Moore Kingston Smith LLP 6 th Floor, 9 Appold Street London EC2A 2AP
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.

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

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

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

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

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

STRATEGIC REVIEW

Achievements and Performance

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

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

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

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

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

Financial Review

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

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

Change of financial year end

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

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

Investment in subsidiary

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

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

Reserves policy

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

Plans for Future Periods

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

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

Principal Risks and Uncertainties

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

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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



Mr D Chalmers

Chair of Governors

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

Opinion

We have audited the financial statements of The Hawthorns Educational Trust Limited (the 'charitable company') and its subsidiary (the 'group') for the period ended 31 July 2025. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Our approach was as follows:

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

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

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

Use of our report

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

Moore Kingston Smith LLP

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

Dated: 18 December 2025

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

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

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

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

These accounts were approved by the Board on 27 November 2025



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Mr D Chalmers

Company number 00949504

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

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

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

These accounts were approved by the Board on 27 November 2025



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Mr D Chalmers

Company number 00949504

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

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

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

1 STATUTORY INFORMATION

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

2 ACCOUNTING POLICIES

Basis of preparation

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

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

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

Currency

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

Group accounts

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

Income

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

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

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

All income is recognised net of VAT.

Expenditure

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

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

2 Accounting policies (Continued)

Assets

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

Depreciation

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

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

Electrical, computer and garden equipment - 20% straight line

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

Pension schemes

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

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

Operating lease rentals

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

Investments

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

Cash at bank and in hand

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

Creditors and provisions

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

Debtors

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

Fund accounting

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

2 Accounting policies (Continued)

Turnover

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

Taxation

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

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

Critical accounting estimates and judgements

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

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

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

3 Income from Charitable Activities

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

4 Income from other trading activities

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

5 Other income

Registration fees	9,574	10,196
	9,574	10,196

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

8 Staff costs

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

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

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

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

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

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

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

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

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

9 Operating surplus

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

10 Tangible Fixed Assets

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

11 Investment in subsidiary

	2025	2024
	£	£
Investment - 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 2025 are:

Profit for the year	£Nil
Capital and reserves	109,784

12 Debtors

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

13 Creditors - Amounts falling due within one year

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

14 Creditors - Amounts falling due after more than one year

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

Loan maturity analysis

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

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

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

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

15 Advanced Fees Payment Scheme

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

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

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

16 Restricted Fund

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

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

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

17 Unrestricted Fund

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

18 Analysis of net assets between funds of the Group

	Unrestricted funds £	Restricted funds £	Total 2025 £
Tangible fixed assets	9,694,183	-	9,694,183
Current assets	4,358,010	25,000	4,383,010
Current liabilities	(3,980,173)	-	(3,980,173)
Long term liabilities	(2,517,579)	-	(2,517,579)
At 31 July 2025	7,554,441	25,000	7,579,441
	Unrestricted funds £	Restricted funds £	Total 2024 £
<i>Tangible fixed assets</i>	<i>9,834,998</i>	<i>-</i>	<i>9,834,998</i>
<i>Current assets</i>	<i>3,771,173</i>	<i>25,000</i>	<i>3,796,173</i>
<i>Current liabilities</i>	<i>(3,652,997)</i>	<i>-</i>	<i>(3,652,997)</i>
<i>Long term liabilities</i>	<i>(2,901,575)</i>	<i>-</i>	<i>(2,901,575)</i>
<i>At 31 August 2024</i>	<i>7,051,599</i>	<i>25,000</i>	<i>7,076,599</i>

19 Operating leases

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

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

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

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

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

21 Pension costs

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

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

NOTES TO THE ACCOUNTS

Period Ended 31 July 2025

21 Pension costs (Continued)

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

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

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

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

22 Ultimate controlling party

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

23 Capital commitments

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