

THE HAWTHORNS EDUCATIONAL TRUST LIMITED

(A Registered Charity and a Company Limited by Guarantee)

and its subsidiary company operating as

The Hawthorns School



"Love God,
Love thy neighbour"

GOVERNORS' ANNUAL REPORT AND AUDITED CONSOLIDATED ACCOUNTS

For the year ended 31 August 2012

Company registration - 949504
Charity Commission registration - 312067
www.hawthorns.com

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COMPANIES HOUSE

The Hawthorns Educational Trust Limited
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Governors derive no financial benefit from their office other than as shown in the notes to the accounts and are not reimbursed for any travel or administrative expenses. During the year no Governors had any interest in contracts or dealings with the School (see Note 19)

The School 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 a portfolio of documentation covering all aspects of the School, including the most recent audited accounts, the Memorandum and Articles of Association, copies of board meeting minutes, school prospectus and information DVD, recent newsletters to parents, staff lists with responsibilities, governance documentation with subcommittee 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 Management 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 TR Johns
Bursar and Company Secretary	Mr CH Whiffin
Senior Management Team	Mr SR Etchell, Mrs EC Forsyth, Mrs FJ Mwale, Mr SJ Walton
Address and Registered Office	The Hawthorns Educational Trust Limited T/A The Hawthorns School Pendell Court Bletchingley, Surrey, RH1 4QJ
Bankers	Lloyds TSB Bank plc 1 London Road Redhill, Surrey, RH1 1ND
Auditors	Russell New Limited (Statutory Auditors) The Courtyard Shoreham Road, Upper Beeding Steyning, West Sussex, BN44 3TN
School Website	www.hawthorns.com
Email	office@hawthorns.com

Organisational management

The Governors determine the general policy of the Trust. The day to day management of the School is delegated to the Headmaster, the Bursar and the Senior Management Team. The Governors meet, as a

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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

Finance and General Purposes subcommittee

M Williams (Chairman), L Baart, A Cockerill, Z Creighton, G Hay, the Headmaster, the Senior Deputy Head and the Bursar This committee covers The Hawthorns Foundation, finance, property and grounds, staffing and general management of the School

Marketing subcommittee

S Ellis (Chairman), Z Creighton, the Headmaster, other school personnel as appropriate and co-opted parents This committee deals with the marketing and presentation of the School

Education subcommittee

A Stuart (Chairman), Z Creighton, S Mumby, G Nelson, G Williams, the Headmaster and other senior school staff This committee works to improve the quality of education in the School

Health and Safety subcommittee

A Cockerill (Chairman), the Bursar and other senior school staff This committee is responsible for agreeing health and safety policies and strategy across the School

Personnel subcommittee

R Buckingham (Chairman) and G Nelson, and other senior school staff This committee is responsible for recruitment, welfare and retention of employees of the School

Risk management

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 The Governors are satisfied that, overall, the systems in place, having due regard to the nature and resources of the School, adequately manage exposure to such risks

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, inspired by the motto "Love God, Love thy neighbour" 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

The Hawthorns Educational Trust Limited
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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Trust has continued to operate a co-educational preparatory school for children aged from 2 to 13, including before school and after school care to assist working parents. During the year the focus has been on the continued achievement of academic performance and widening of access to the School's facilities, the continuance of Easter and summer activity courses and ensuring that the facilities are put to good use when not otherwise needed.

Since its launch in 2006, The Hawthorns Foundation has continued to build a long term endowment fund to assist the School with bursary awards for children whose families could not otherwise gain access to the School. It also provides funds for specific capital projects and helps to provide for the future needs of the School.

The Trust is involved in a wide variety of charitable activities that benefit others including The Royal National Children's Foundation, World Vision UK, the Salvation Army, Wish to Walk and Help for Heroes. During the year a total of £5,055 (2011 £6,020) was donated to these and other, smaller, charities.

The swimming pool, sports centre and grounds are made available, often at reduced or no charge, to local maintained schools, local church organisations, local residents, disabled people, Brownie groups and a large number of sports clubs. Activity days and holiday clubs run throughout the Easter and summer holidays. These are very popular with local children and approximately 70% of children attending clubs are not pupils at the School. Teaching staff are seconded to local maintained schools to assist with teaching. Christmas hampers are delivered to local residents in need, pupils visit a local old people's home to perform music and Year 7 pupils help with community action activities. The grounds, staff and facilities are made available at the end of the summer term each year to several local maintained schools to hold end of year activity days. Each year the School's Woodland Trail is opened to the public within the National Gardens Scheme programme.

Over the years the School has formed close links with several local, maintained primary schools. By way of example, pupils from Furze Field Primary Community School, have swimming lessons in the School's swimming pool, every week during term time. The School makes no charge for the use of the pool. In addition, on numerous occasions during the year, the School loaned their minibuses to Earlswood Infant and Nursery School for various purposes, again without charge.

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 10 pupils (2011 12) and their value increased by 12% to £71,593 (2011 £63,938). In total, financial support of all kinds during the year totalled 4.3% of gross fee income. Plans are in place to enable more pupils to attend the School with the help of fee assisted places and the Trust has accordingly budgeted to increase the number and value of bursary awards next year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Trust received fees and other income of £5,397,310 (2011 £5,051,314) and the consolidated net incoming resources for the year amounted to £114,378 (2011 £118,000). The results for the year include the net incoming resources from restricted funds of £16,892 (2011 £30,327) for The Hawthorns Foundation.

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Following the completion of the new Pre-Prep building in the summer of 2011, capital expenditure has been more limited this year. Efforts have concentrated upon minor improvements to the infrastructure of the School and to the continuance of investment into technology. The total expenditure during the year on these and many other improvements to the School facilities, including final costs of the new building, amounted to £371,827 (2011 £2,517,326). There is a plan of continuous upgrading of the School's facilities in order to keep pace with the requirements of a leading pre-preparatory and preparatory school.

Investment in subsidiary

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

The subsidiary is a non-trading, dormant company and the latest un-audited accounts have been made up to 5 April 2012 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 improvement plan for 2012/13 identified three areas as key focuses for the year, viz development of excellence in teaching and learning, development of curriculum and educational methods, and a review of the School Masterplan.

STATEMENT OF DIRECTORS' 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.

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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 Russell New Limited as auditors to the company will be put to the annual general meeting.

On behalf of the board



ZS Creighton
Chair of Governors

3 December 2012

The Hawthorns Educational Trust Limited
INDEPENDENT AUDITORS' REPORT
Year ended 31 August 2012

TO THE MEMBERS OF THE HAWTHORNS EDUCATIONAL TRUST LIMITED

We have audited the accounts of The Hawthorns Educational Trust Limited for the year ended 31 August 2012 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Governors, who are also the directors of The Hawthorns Educational Trust Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company and Group's affairs as at 31 August 2012 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

The Hawthorns Educational Trust Limited
INDEPENDENT AUDITORS' REPORT
Year ended 31 August 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mr Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of Russell New Limited

Statutory Auditors

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

4 December 2012

The Hawthorns Educational Trust Limited
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income & Expenditure Account)
Year ended 31 August 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
INCOMING RESOURCES					
Incoming resources from charitable activities					
Fees receivable	1	4,910,999	0	4,910,999	4,608,284
Incoming resources from generated funds					
Activities for generating funds	2	452,902	0	452,902	388,009
Voluntary income - covenants and donations		8,687	16,892	25,579	47,494
Investment income - bank interest		0	0	0	0
Other incoming resources	3	<u>7,830</u>	<u>0</u>	<u>7,830</u>	<u>7,527</u>
Total incoming resources		<u>5,380,418</u>	<u>16,892</u>	<u>5,397,310</u>	<u>5,051,314</u>
RESOURCES EXPENDED					
Costs of generating funds					
Lettings		491,346	0	491,346	407,577
Fundraising (The Foundation)		0	10,896	10,896	11,463
Charitable activities					
Education		4,771,150	0	4,771,150	4,506,989
Governance costs		<u>9,540</u>	<u>0</u>	<u>9,540</u>	<u>7,285</u>
Total resources expended	4	<u>5,272,036</u>	<u>10,896</u>	<u>5,282,932</u>	<u>4,933,314</u>
Net incoming resources before transfers		108,382	5,996	114,378	118,000
Transfer between funds	14	<u>(10,896)</u>	<u>10,896</u>	<u>0</u>	<u>0</u>
Net movement in funds		97,486	16,892	114,378	118,000
Balances at 1 September 2011	14, 15	<u>4,849,112</u>	<u>286,956</u>	<u>5,136,068</u>	<u>5,018,068</u>
Balances at 31 August 2012		<u>4,946,598</u>	<u>303,848</u>	<u>5,250,446</u>	<u>5,136,068</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

The Hawthorns Educational Trust Limited
CONSOLIDATED BALANCE SHEET
As at 31 August 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	7	6,895,143	6,846,358
CURRENT ASSETS			
Debtors	9	1,584,085	1,489,057
Cash at bank and in hand		<u>315,835</u>	<u>299,825</u>
Total Current Assets		1,899,920	1,788,882
Creditors, due within one year	10	<u>(2,622,010)</u>	<u>(3,021,097)</u>
NET CURRENT (LIABILITIES)		<u>(722,090)</u>	<u>(1,232,215)</u>
NON CURRENT (LIABILITIES)			
Creditors, due after more than one year	11	<u>(922,607)</u>	<u>(478,075)</u>
TOTAL NET ASSETS		<u><u>5,250,446</u></u>	<u><u>5,136,068</u></u>
Unrestricted Fund	15	4,946,598	4,849,112
Restricted Fund	14	<u>303,848</u>	<u>286,956</u>
TOTAL NET FUNDS		<u><u>5,250,446</u></u>	<u><u>5,136,068</u></u>

These accounts were approved by the board on 3 December 2012

ZS Creighton

Chair



M Williams

Governor



Company number 949504

The Hawthorns Educational Trust Limited
COMPANY BALANCE SHEET
As at 31 August 2012

	Notes	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	7		6,785,143		6,736,359
Investment in subsidiary	8		<u>71,534</u>		<u>71,534</u>
			6,856,677		6,807,893
CURRENT ASSETS					
Debtors	9	1,629,361		1,534,333	
Cash at bank and in hand		<u>315,835</u>		<u>299,825</u>	
Total Current Assets		1,945,196		1,834,158	
Creditors, due within one year	10	<u>(2,621,791)</u>		<u>(3,020,879)</u>	
NET CURRENT (LIABILITIES)			<u>(676,595)</u>		<u>(1,186,721)</u>
NON CURRENT (LIABILITIES)					
Creditors, due after more than one year	11		<u>(922,607)</u>		<u>(478,075)</u>
TOTAL NET ASSETS			<u>5,257,475</u>		<u>5,143,096</u>
Unrestricted Fund	15		4,953,627		4,856,140
Restricted Fund	14		<u>303,848</u>		<u>286,956</u>
TOTAL NET FUNDS			<u>5,257,475</u>		<u>5,143,096</u>

These accounts were approved by the board on 3 December 2012

ZS Creighton

Chair



M Williams

Governor



Company number 949504

The Hawthorns Educational Trust Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 August 2012

	Notes	2012		2011	
		£	£	£	£
Net cash (outflow)/Inflow from operating activities					
Net incoming resources			114,378		118,000
Financing costs			42,062		0
Depreciation			323,041		299,562
(Increase)/Decrease in debtors			(95,028)		70,698
(Decrease)/Increase in creditors due within one year, excluding bank overdraft			<u>(627,729)</u>		<u>760,045</u>
			(243,276)		1,248,305
Interest paid		<u>(42,062)</u>		<u>0</u>	
Net cash (outflow)/Inflow from returns on investment and servicing of finance					
			<u>(285,338)</u>		<u>1,248,305</u>
Capital expenditure					
Purchase of fixed assets	7		(371,827)		(2,517,326)
Financing					
Movement in long term loans			<u>444,532</u>		<u>500,000</u>
Decrease in cash during year					
			<u>(212,633)</u>		<u>(769,021)</u>
Analysis Of Net Debt					
		1 September	Cash	31 August	
		2011	flows	2012	
		£	£	£	
Cash at bank and in hand		299,825	16,010	315,835	
Bank Overdraft		<u>(181,950)</u>	<u>(228,643)</u>	<u>(410,593)</u>	
School operations		117,875	(212,633)	(94,758)	
Debt due in less than one year		(21,925)	(24,381)	(46,306)	
Debt due in more than one year		<u>(478,075)</u>	<u>(444,532)</u>	<u>(922,607)</u>	
		<u>(382,125)</u>	<u>(681,546)</u>	<u>(1,063,671)</u>	
Reconciliation of Net Cashflow to Net Debt					
		2012		2011	
		£		£	
Movement in cash in period		(212,633)		(769,021)	
Movement in loans		<u>(468,913)</u>		<u>(500,000)</u>	
Net movement in debt		(681,546)		(1,269,021)	
Debt brought forward		<u>(382,125)</u>		<u>886,896</u>	
Debt carried forward		<u>(1,063,671)</u>		<u>(382,125)</u>	

The notes form part of these financial statements

The Hawthorns Educational Trust Limited

NOTES TO THE ACCOUNTS

Year ended 31 August 2012

ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 and the Companies Act 2006

Incoming resources

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. They are stated after deducting bursaries, scholarships and other fee remissions granted by the School.

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.

Rental and investment income are accounted for in the period in which they are receivable. Other incoming resources are accounted for when received.

Resources expended

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.

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% on cost
Electrical, computer & garden equipment	20% on cost
Fixtures, fittings, tools & equipment	10% on cost

Unrestricted and restricted funds

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

Restricted funds are those 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

The Hawthorns Educational Trust Limited

NOTES TO THE ACCOUNTS

Year ended 31 August 2012

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.

Basis of consolidation

The group accounts consolidate the accounts of The Hawthorns Educational Trust Limited and its wholly-owned subsidiary company, The Hawthorns (Pendell Court) Limited. The subsidiary is a non-trading, dormant company. Its latest un-audited accounts have been made up to 5 April 2012 and it is these accounts that have been used in the consolidation.

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 Financial Reporting Standard 17 Retirement Benefits, 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 Financial Reporting Standard 17 Retirement Benefits the scheme is accounted for as if it were a defined contribution scheme.

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

Operating lease rentals

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

The Hawthorns Educational Trust Limited
NOTES TO THE ACCOUNTS
Year ended 31 August 2012

1	Incoming Resources From Charitable Activities			2012	2011
				£	£
	Gross fees			4,786,953	4,535,003
	Less bursaries, scholarships and discounts			(207,802)	(203,578)
				<hr/>	<hr/>
	Extras			4,579,151	4,331,425
				331,848	276,859
				<hr/>	<hr/>
				4,910,999	4,608,284
				<hr/>	<hr/>
2	Activities For Generating Funds			£	£
	Sports centre income			451,462	386,569
	Other lettings and activities			1,440	1,440
				<hr/>	<hr/>
				452,902	388,009
				<hr/>	<hr/>
3	Other Incoming Resources			£	£
	Net commissions receivable			7,830	7,527
				<hr/>	<hr/>
				7,830	7,527
				<hr/>	<hr/>
4	Analysis Of Resources Expended				
		Staff	Other	Depreciation	Total
		Costs			2012
		£	£	£	2011
					£
	Costs of generating funds				
	Fundraising (The Foundation)	10,896	0	0	10,896
	Lettings	318,330	173,016	0	491,346
		<hr/>	<hr/>	<hr/>	<hr/>
		329,226	173,016	0	502,242
		<hr/>	<hr/>	<hr/>	<hr/>
	Charitable expenditure - Education				
	Teaching	2,708,822	310,196	108,533	3,127,551
	Welfare	154,674	186,316	0	340,990
	Premises	115,211	371,669	214,508	701,388
	Finance costs	0	52,930	0	52,930
	Support costs	343,427	204,863	0	548,290
		<hr/>	<hr/>	<hr/>	<hr/>
		3,322,134	1,125,974	323,041	4,771,150
		<hr/>	<hr/>	<hr/>	<hr/>
	Governance costs	0	9,540	0	9,540
		<hr/>	<hr/>	<hr/>	<hr/>
	Total resources expended	3,651,360	1,308,530	323,041	5,282,932
		<hr/>	<hr/>	<hr/>	<hr/>

Net Incoming Resources are stated after charging £17,277 (2011 £16, 693) to operating lease rentals included within Premises costs

The Hawthorns Educational Trust Limited

NOTES TO THE ACCOUNTS

Year ended 31 August 2012

5 Staff Costs

	2012 £	2011 £
Salaries and wages	3,141,585	3,026,387
Social security costs	216,127	228,934
Pension costs	293,648	273,780
	<u>3,651,360</u>	<u>3,529,101</u>

Number of employees whose emoluments for the year exceeded £60,000	2012	2011
£60,000 to £69,999	3	3
£80,000 to £89,999	1	1

Contributions totalling £26,543 (2011 £25,825) were made during the year to a pension scheme on behalf of the above employees

The average weekly number of employees (full time equivalent) during the year were as follows

	2012	2011
Teaching & teaching assistants (term time)	64	63
Others (administration, kitchen, maintenance and sports centre)	37	35
Total	<u>101</u>	<u>98</u>

6 Operating Surplus

Included within the operating surplus for the year are the following

Charitable activities – Education

Operating lease rentals (inc VAT)	17,277	22,959
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Governance

Auditors' fees – audit services (inc VAT)	9,540	7,285
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Auditors' fees – other services (inc VAT)	Nil	Nil
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In accordance with paragraph 397 of the Charities SORP 2005, no separate Statement of Financial Activities has been prepared for the School alone. The School contributed £114,378 (2011 £118,000) to the surplus of the Group for the year

The Hawthorns Educational Trust Limited
NOTES TO THE ACCOUNTS
Year ended 31 August 2012

7 Tangible Fixed Assets

The movement of tangible fixed assets was as follows

THE GROUP	Freehold property £	Electrical, computer & garden equipment £	Fixtures, fittings, tools & equipment £	Total £
Cost				
At beginning of year	7,860,503	301,683	375,707	8,537,893
Additions	265,517	61,713	44,597	371,827
Disposals	0	(20,156)	(21,452)	(41,608)
At end of year	<u>8,126,020</u>	<u>343,240</u>	<u>398,852</u>	<u>8,868,12</u>
Accumulated Depreciation				
At beginning of year	1,373,080	143,548	174,908	1,691,536
Charge for year	214,508	68,648	39,885	323,041
Disposals	0	(20,156)	(21,452)	(41,608)
At end of year	<u>1,587,588</u>	<u>192,040</u>	<u>193,341</u>	<u>1,972,969</u>
Net Book Value				
At beginning of year	<u>6,487,423</u>	<u>158,135</u>	<u>200,800</u>	<u>6,846,358</u>
At end of year	<u>6,538,432</u>	<u>151,200</u>	<u>205,511</u>	<u>6,895,143</u>
THE COMPANY	Short leasehold property £	Electrical, computer & garden equipment £	Fixtures, fittings, tools & equipment £	Total £
Cost				
At beginning of year	7,750,503	301,683	375,707	8,427,893
Additions	265,517	61,713	44,597	371,827
Disposals	0	(20,156)	(21,452)	(41,608)
At end of year	<u>8,016,020</u>	<u>343,240</u>	<u>398,852</u>	<u>8,758,112</u>
Accumulated Depreciation				
At beginning of year	1,373,080	143,548	174,908	1,691,536
Charge for year	214,508	68,648	39,885	323,041
Disposals	0	(20,156)	(21,452)	(41,608)
At end of year	<u>1,587,588</u>	<u>192,040</u>	<u>193,341</u>	<u>1,972,969</u>
Net Book Value				
At beginning of year	<u>6,377,423</u>	<u>158,135</u>	<u>200,800</u>	<u>6,736,358</u>
At end of year	<u>6,428,432</u>	<u>151,200</u>	<u>205,511</u>	<u>6,785,143</u>

The Hawthorns Educational Trust Limited

NOTES TO THE ACCOUNTS

Year ended 31 August 2012

The short leasehold 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

8 Investment In Subsidiary

	2012	2011
	£	£
Shares at cost	71,534	71,534

The Company owns 100% of the shares of the subsidiary company The Hawthorns (Pendell Court) Limited, 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 2012 are

Profit for the year £0

Capital and reserves £64,507

9 Debtors

	The Group		The Company	
	2012	2011	2012	2011
	£	£	£	£
Fees receivable	1,465,473	1,393,017	1,465,473	1,393,017
Other debtors	7,528	8,695	7,528	8,695
Prepayments	111,084	87,346	111,084	87,346
Loan to subsidiary company	0	0	45,276	45,276
	<u>1,584,085</u>	<u>1,489,057</u>	<u>1,629,361</u>	<u>1,534,333</u>

10 Creditors due within one year

	The Group		The Company	
	2012	2011	2012	2011
	£	£	£	£
Fees charged in advance	1,558,969	1,450,818	1,558,969	1,450,818
Bank loans and overdraft	456,899	203,875	456,899	203,875
Other creditors and school fees in advance	467,207	544,487	466,988	544,269
Accruals	138,935	821,917	138,935	821,917
	<u>2,622,010</u>	<u>3,021,097</u>	<u>2,621,791</u>	<u>3,020,879</u>

The Hawthorns Educational Trust Limited

NOTES TO THE ACCOUNTS

Year ended 31 August 2012

11 Creditors due after more than one year

	The Group		The Company	
	2012	2011	2012	2011
	£	£	£	£
Long Term Loans	922,607	478,075	922,607	478,075
Loan Maturity Analysis				
Repayable in less than one year (Note 10)	46,306	21,925	46,306	21,925
Repayable in more than one year but less than two	48,862	23,322	48,862	23,322
Repayable in more than two years but less than five	163,011	77,875	163,011	77,875
Repayable after more than five years	710,734	376,878	710,734	376,878
	<u>968,913</u>	<u>500,000</u>	<u>968,913</u>	<u>500,000</u>

The Trust took out a second 15 Year, fixed interest loan of £500,000 during the year Total repayments during the year were £32,773 (2011 £Nil) The interest rate on the first loan is 5.55% and on the second loan is 5.275% 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

12 Advance 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

	2012	2011
	£	£
Due within one year	77,931	33,529
Due more than one but less than two years	60,817	34,290
Due after more than two but less than five years	89,018	213,624
	<u>227,766</u>	<u>281,443</u>

The balance represents the accrued liability under the contracts

The movements during the year were

	2012	2011
	£	£
Balance at beginning of year	281,443	38,453
Amounts received in year	21,308	299,914
Amounts credited to pupil accounts for fees	(74,985)	(56,924)
Amounts refunded to parents	0	0
Balance at end of year	<u>227,766</u>	<u>281,443</u>

13 Taxation

The Company is a registered charity and no taxation is payable on its income. 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

The Hawthorns Educational Trust Limited
NOTES TO THE ACCOUNTS
Year ended 31 August 2012

14 Restricted Fund

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

	Balance at 1 September 2011	Incoming resources	Resources expended	Transfers	Balance at 31 August 2012
	£	£	£	£	£
The Hawthorns Foundation	286,956	16,892	(10,896)	10,896	303,848
Designation Of Fund					
Bursary fund	125,007	15,892	(10,896)	10,896	140,899
Capital and other projects	127,452	898	0	0	128,350
Endowment fund	34,497	102	0	0	34,599
	286,956	16,892	(10,896)	10,896	303,848

The School contributed £10,896 (2011 £11,463) towards the running costs of The Hawthorns Foundation

15 Unrestricted Fund

	Balance at 1 September 2011	Incoming resources	Resources expended	Transfers	Balance at 31 August 2012
	£	£	£	£	£
General fund	4,856,140	5,380,418	(5,272,036)	0	4,964,522
Transfer to restricted fund	0	0	0	(10,896)	(10,896)
The Company	4,856,140	5,380,418	(5,272,036)	(10,896)	4,953,626
Non-charitable trading funds	(7,028)	0	0	0	(7,028)
The Group	4,849,112	5,380,418	(5,272,036)	(10,896)	4,946,598

16 Net Assets of the Funds of the Charity and of the Group

	Unrestricted £	Restricted £	Group £
Fixed assets	6,895,143	0	6,895,143
Current assets	1,596,072	303,848	1,899,920
Current liabilities	(2,622,010)	0	(2,602,592)
Non-Current Liabilities	(922,607)	0	(922,607)
	4,946,598	303,848	5,250,446

The Hawthorns Educational Trust Limited
NOTES TO THE ACCOUNTS
Year ended 31 August 2012

17 Operating Leases

Annual commitments for assets held under operating leases are as follows

	2012	2011
	£	£
Expiring within one year	3,733	2,000
Expiring between two and five years	15,585	16,693

18 Capital Commitments

	2012	2011
	£	£
Contracted for, but not provided in the financial statements	0	0
Expenditure contracted for but not provided in the accounts		
Pre-Prep Redevelopment	0	129,928
Authorised, but not contracted for		
Pre-Prep Redevelopment	0	404,375

19 Governors' Remuneration and Interests In Contracts

Mrs C Baart and Mrs D Hay, both wives of Governors, are part time employees of the School undertaking a teaching role and an administrative role, respectively Their appointments and salaries were negotiated independently of the board of Governors and their remuneration is based on standard pay scales for their level of experience and qualifications

No other remuneration or expenses were provided to any Governors during the year

20 Pension Costs

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement") The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8% For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards

The Hawthorns Educational Trust Limited

NOTES TO THE ACCOUNTS

Year ended 31 August 2012

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%

The Government Actuary's Department has, in a report dated 9 March 2012, concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to, the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

During the year contributions of £265,755 (2011: £245,527) were paid to the Teachers Pension Scheme and £27,893 (2011: £28,253) to other defined contribution schemes. No amounts were outstanding at the year end.

21 Control

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