

Mary Hare Trustees' Report and Financial Statements

For the period ending 31 August 2022



Securing the future of deaf children and young people

Registered charity number 1048386

MARY HARE
(A company limited by guarantee)
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FOR THE YEAR ENDED 31 AUGUST 2022

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MARY HARE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS, DIRECTORS AND CHARITY TRUSTEES AND ADVISORS FOR THE YEAR ENDED 31 AUGUST 2022

Charity Trustees, Directors and Governors

A J Strivens (Chair)
G M Bisset
S A Butcher (Appointed 1 September 2022)
D Clements (Appointed 1 September 2022)
P R Gale (Resigned 31 August 2022)
S Greenhalgh
P J Ludlow
A N R McAlpine
B J McGhie
A W Mc Phail
M J E Penfold (Appointed 1 September 2022)
T M Pollack (Appointed 1 September 2022)
C M Rowles
R A G Sanders Rose OBE
J P Sharpe (Deputy Chair)
J Shepherd (Appointed 16 January 2023)
G L C Woods

Company Registered Number

3085006

Charity Registered Number

1048386

Address and Registered Office

Arlington Manor
Snelsmore Common
Newbury
Berkshire
RG14 3BQ

Principal and Chief Executive Officer

P R Gale (Resigned 31 August 2022)
R Askew (Appointed 1 September 2022)

Chief Operating Officer

P K Robson

Company Secretary

P K Robson

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GOVERNORS, DIRECTORS AND CHARITY TRUSTEES AND ADVISORS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent Auditor

Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers

National Westminster Bank PLC
30 Market Place
Newbury
Berkshire
RG14 5AJ

Solicitors

Spires Legal Limited
Oxford House
Parkway Court
John Smith Drive
Oxford Business Park
Oxford
OX4 2JY

Wilson's Solicitors
Alexandra House
St Johns Street
Salisbury
SP1 2SB

MARY HARE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees submit their report and the audited accounts for the year ended 31 August 2022 prepared in accordance with applicable accounting standards 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).

Mary Hare Grammar School for the Deaf was established as a charity in the late 1940s in the form of a charitable trust. The charity was incorporated on 28 July 1995 under company number 3085006 and the name of the company was changed on 28 February 2005 to Mary Hare. The charity is registered with the Charity Commission under number 1048386. The Trustees, Directors and Governors, the principal Company officers, the registered office and the professional advisors are as shown under the Reference and Administrative details on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

On 3 November 2016, a Resolution was passed to approve the revised Articles of Association which were thereby adopted as the document under which the company is governed. These replaced the former Memorandum and Articles of Association.

Board of Trustees / Governing Body

The Charity Trustees are directors, members and Governors of the Company.

The Trustees are appointed by the Board of Trustees, subject to retirement and re-election procedures at the Annual General Meeting. Full details are contained in the company's Articles of Association.

The Board of Trustees has established sub-committees to deal with certain specific aspects of Mary Hare's affairs. The principal sub-committees and memberships in the year were:

Committee Membership

Care & Education Committee

J Sharpe (Chair)
S Butcher (from 1.09.22)
D Clements
S Greenhalgh
P Ludlow
A McPhail
M Penfold (from 1.09.22)
R Sanders Rose
A Strivens

Finance Committee

G Bisset (Chair)
A McAlpine
M Penfold (from 1.09.22)
J Shepherd (from 16.01.23)
A Strivens

HR & Governance Committee

A Strivens (Chair)
B McGhie
T Polack (from 1.09.22)
C Rowles
J Sharpe

CEO Performance Panel

J Sharpe (Chair)
P Ludlow
A McPhail
A Strivens

New Trustees are inducted into the workings of the Charity on appointment and appropriate training is arranged.

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Organisation

Mary Hare

The Trustees determine the general policy and strategy of Mary Hare and have various duties in respect of appeals procedures and safeguarding. The Chief Executive Officer of Mary Hare coordinates total resources and activities across the range of Mary Hare interests and activities. Other senior roles also have responsibilities across the organisation, reflecting the broader structure of Mary Hare activities.

Mary Hare School

For the year ended 31 August 2022, the day to day management of Mary Hare School was the responsibility of the Chief Executive Officer, P R Gale, working with the Executive Team and for the school the Senior Leadership Team. After 26 years of service as teacher and ultimately Principal and CEO, Peter Gale retired from his position on the 31 August 2022 and following a full and competitive recruitment process Robin Askew was appointed as Principal/CEO effective 1 September 2022. The Board of Trustees wishes to acknowledge and express its sincere gratitude to Peter Gale for his long and committed service to Mary Hare.

Mary Hare Professional Courses

This division coordinates the provision of training both in postgraduate education of teachers of the deaf and training of professionals and practitioners in deaf education and audiological science. As well as providing for a variety of award bearing courses, it runs a range of day courses and conferences.

The Burwood Centre

The Centre provides independent assessments for babies and children diagnosed with a hearing loss. The Centre's income is derived from assessment fees paid by the families, charitable donations and support from unrestricted income. The reports produced are wholly independent and Mary Hare is determined to uphold the independence of the Burwood Centre.

Mary Hare Services Limited

The company is a wholly owned trading subsidiary of Mary Hare carrying out commercial activities to raise funds for Mary Hare. Activities include rental of facilities including the Arlington Arts Centre for events and the main campus and grounds for a summer school. Mary Hare Services Limited is not a registered charity.

The Mary Hare Foundation

The Mary Hare Foundation is a charity established under a trust deed in 1991. The sole purpose of the Foundation is to raise funding for major capital programmes and other projects undertaken by Mary Hare.

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OBJECTIVES AND ACTIVITIES

Our Vision:

Securing the future of deaf children and young people.

Our Mission:

Transforming the lives of deaf children and their families by providing:

- an empowering and aspirational school where children, young people and adults are excited and proud to be
- a centre of excellence with the needs of deaf students at its heart
- an environment where children and young people build the language, confidence and resilience they need for success beyond school
- a community of peers where enduring friendships are made

Our Aims:

1. To provide exceptional education and care for all pupils
2. To provide an excellent environment for learning, living and working
3. To prepare all pupils for a successful transition into the wider community, able to meet challenges with confidence, resilience and determination
4. To promote Mary Hare and to establish the organisation as a key influencer in the education of deaf children
5. Through empowering leadership at all levels, for staff to be skilled, well trained and highly motivated
6. To champion a culture of collaboration, innovation and excellence
7. To provide benefit for the local community where it supports our wider aims, sharing our facilities and expertise
8. To manage the charity, our businesses, risks and finances to ensure an enduring legacy for successive generations

Principal Activities

The principal activity of Mary Hare is to provide education for deaf children using an auditory oral method with spoken and written English and the use of the best technology at its heart. Pupils come from a range of communication backgrounds, including total communication, sign bilingual and auditory /oral.

Mary Hare is a Non-Maintained Special School which caters for children and young people (5 – 19 years of age) with moderate, severe or profound hearing loss. Pupils come from all over the UK with a small number from overseas. During the reporting period the school had two campuses, one in Greenham for the primary aged pupils, while the secondary pupils are based at Snelsmore Common. Completion in August 2022 of the construction of a new primary school on the Snelsmore campus brought together all educational activities onto one site, with all the advantages this brings. The primary school relocated from Greenham over the summer and opened at the start of the academic year in September 22 in the new buildings.

Mary Hare's Professional Courses Division trains teachers of the deaf through postgraduate courses provided in partnership with the University of Hertfordshire.

Commercial activities carried out in Mary Hare Services Ltd include the letting of school facilities for an international language school and to other organisations, the letting of the swimming pool for swimming lessons and various other community uses; and the letting of the Arlington Arts Centre for commercial theatre, conferences and other events. Income from all Mary Hare's commercial activities provides the school with additional funds.

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STRATEGIC REPORT

The period covered by the report saw a return to more normal operation with less disruption associated to Covid-19 through 'bubble' arrangements or partial closures. However, some measures introduced during the prior year became embedded practice such as the use of video conferencing and calls to facilitate meetings. Pupils enjoyed the opportunity to mix and socialise and there was gradual reengagement with local community activities through experiences such as the Newbury and District Amateur Radio Society hosting a live link up to the International Space Station from the school.

On the Arlington Manor site there was excitement to see the new primary school build, and this allowed opportunity for staff and pupils to learn more about modern construction methods and enhance the experience for some of our vocational students. Meanwhile, at the primary school (Greenham Lodge) the significant task of sorting, auditing and packing in preparation for the relocation was undertaken whilst simultaneously still delivering tuition and care for the primary pupils.

Within the school opportunities to enrich learning are actively promoted. Staff, parents and pupils have contributed to significant events such as the NSPCC numbers day, World Book Day, Science Day and residential experiences. Primary pupils returned to Mill on the Brue activities centre and Year 9 pupils engaged in a local activities week incorporating sailing, climbing and bushcraft skills.

A focus within secondary school was the development of thinking skills. This is an initiative to promote pupils' metacognition and the development of independent learning skills. We established a drive team of staff to promote and run activities and all pupils had 'thinking matters' time incorporated within their timetables. This will be an ongoing initiative that will evaluate the impact on future pupil outcomes through developing approaches to learning.

Other notable events have included students being invited to raise deaf awareness with the Formula 1 Williams Racing Team, a 'wear it loud' walk in aid of Ukraine and participation in local and national sporting and public speaking competitions.

The construction of the new primary school and boarding house commenced in June 2021 and continued throughout the reporting period. The new buildings have been designed and constructed to maximise the acoustic environment for deaf pupils and staff, using acoustic ceilings and wall materials that provide tremendous absorption of sound, creating a safe and beneficial learning environment for our youngest pupils. The construction partner worked with the school to minimise the disruption of such a large construction project and enabled older students to see first-hand modern construction methods and materials.

With the construction completed in August 2022 the relocation from Mill Hall in Greenham took place over one week, successfully transitioning the school and residential care from the older listed property environment to the brand new, modern buildings. The overall project was completed on time and almost on budget. Some challenges identified through the build required additional and unexpected costs to be incurred, however, Trustees are delighted that even with these the overspend was minimal.

With the Covid-19 pandemic continuing through the year we continued to operate regular twice weekly testing of pupils with staff testing at home until March 2022. This continued to have a demanding impact on staff in overseeing the testing regime, however, it has been an effective way of managing the containment of Covid-19 in the school environment.

While the school has been fortunate that the direct effects of the Covid-19 pandemic have not been financially significant, there has been an impact over the previous two years of hosting face to face events for prospective pupils and their families. During this year however, it was fantastic to return to on-site face to face events and two open days were held, proving very successful with 49 families attending.

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During the year a Director of Care was recruited, a new position strengthening the overall leadership in a critical area of the school and allowing strategic overview of our residential care provision. Prior to this appointment we received our long awaited Ofsted Social Care inspection and were pleased with the outcome of securing 'Good' within all areas of the inspection with some particularly pleasing feedback on the quality of our provision.

The investment in the school estate continued in the year with refurbishment programmes in some of the residential houses and the installation of a large new canopy outside the dining hall. This has been a successful addition with pupils using the space in inclement weather as well as shade protection during the hot summer.

During the year as part of a governance cycle the Trustees tendered the audit provision and following a thorough process new auditors Crowe U.K. LLP were appointed in May 2022. The Trustees would like to acknowledge their thanks to James Cowper Kreston who have been Mary Hare auditors for many years.

Educational Achievements and Performance

Following two disruptive years we saw this year the full return of students throughout the year for lessons and exams. Again, we saw less disruption this year than over the last two and that on the whole students suffered less disruption to their learning than reported nationally.

Our subject value-added scores remain high, and it is pleasing to note that when compared to 2018/2019, ten subjects have moved into the top third zone on the ALPS key stage 4 indicator, demonstrating that students have made strong progress in this subject when compared to national averages.

Summary results:

Key Stage 4

GCSE results Summer 2022

23 pupils took GCSE exams at the end of Year 11 with 80% of entries grade 4 or above, with an average grade of 5.35.

11 – Grade 8

11 – Grade 7

22 – Grade 6

40 – Grade 5

35 – Grade 4

Of the students entered for English Language, English Literature and Mathematics, 12 achieved a grade 4 or above in all three subjects. Trustees and staff are delighted that one student achieved five grade 8s and a Level 2 BTEC, an incredible achievement.

Year 11 destinations

2 students left Mary Hare at the end of Year 11, one to take up an apprenticeship and the second to attend their local FE college. The remainder moved on to the 6th Form at Mary Hare.

6th Form

A Level results summer 2022

91.9% of A Level entries were graded A*-E with students achieving 100% in eight subjects, an extremely positive result following the two years of these courses occurring during the Covid-19 period.

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6th Form destinations

10 students left to go to university, 13 students went on to study at FE college, 7 students left for an apprenticeship or full-time employment, 3 students took a gap year and 14 students remained at Mary Hare School for Year 14.

Financial Review

This year is the first full year following the change in the period-end date to 31st August in 2021. The prior financial period 2020/21 was 14 months in length and as a consequence the comparatives in the financial information this period are less informative.

During the year work on the construction of the new primary school and boarding house continued with further funding of £1,530k transferred in the year from the Mary Hare Foundation. The new primary school and boarding house was completed at the end of the financial period having been funded by the fundraising of the Foundation, proceeds from the sale of Mill Hall in 2021 and from cash reserves.

An analysis of Mary Hare's financial performance for the year by activity is as follows:

	2021/22	2020/21	2019/20
	£000's	£000's	£000's
Mary Hare School	1,104	(370)	335
Burwood Centre	(66)	(61)	(56)
Trading Activities	202	55	191
	1,240	(377)	470
Joint Venture Activities	89	56	71
	1,329	(321)	541
Actuarial Gain/(loss) on DBPS	16,269	(1,250)	(4,329)
Pension costs	(1,428)	(1,146)	(1,222)
Exceptional item – Prior year accounts adjustment*	(216)		
Exceptional item – Net gain on sale of Mill Hall	-	571	-
Exceptional item – Fundraising	1,530	2,066	-
Exceptional item – Project Professional fees	-		(78)
Total Surplus/(Deficit)	17,484	(80)	(5,088)

* *The prior year adjustment relates to a correction to a duplicated legacy accrual and holiday accruals, both of which were immaterial items but not reflected in the prior year statutory accounts.*

2021/22 delivered a good financial performance across most areas resulting in an improved operating result excluding the pension adjustment. This was delivered despite significant pressures on costs given the wider economic climate, cost of living, energy costs and the consequences of the war in Ukraine.

There was a modest rise in pupil numbers from 220 at the beginning of the academic year in September 2021 to 223 at the end of the year. This increase together with the continued initiatives to ensure the full cost recovery of services offered, resulted in an increase in total fee income to £14,227k.

During the period the average number of employees rose by 2.1% to 293 (20/21 - 287) with full time equivalents being 249 (20/21 - 239). This increase was despite challenges in recruiting some vacancies which itself resulted in lower costs than anticipated.

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The fundraising efforts towards the new primary school continued throughout the year and at the end of the year the total raised was £3,700k against a target of £4,000k. The target was achieved by March 2023, a remarkable success for the fundraising team and the Mary Hare Foundation. The Trustees are extremely grateful for all the efforts of the Mary Hare Foundation and Mary Hare's own fundraising staff in helping their vision become a reality.

The financial period also saw increased income from commercial activities as the businesses continued on a post Covid-19 recovery. During the summer of 2022 the International Summer School returned after two years, helping the trading activities to deliver increased income over the previous year. More events were hosted in Arlington Arts as the general public started to return to more events.

Mary Hare continued in 2021/22 with its multiyear investment programme. Projects during this accounting period included the continuation of glazing replacement work across numerous building, upgrade works to residential houses' kitchens and redecoration works to some classrooms. A new canopy was installed outside the main dining hall which has proved to be a real success with pupils. Trustees have continued investment in the IT infrastructure including rolling out more smartboards in the teaching areas and commencement of a two year programme introducing the Juno technology system in classrooms to assist pupils with their communication needs. In addition to these new investments a variety of works to upgrade grounds and facilities across the site has taken place through the period. During the year the estates team dealt with the impacts of Storm Eunice, which sadly felled a number of magnificent trees in our woodlands and grounds.

The overall financial result was significantly impacted by the annual revaluation of Mary Hare's share in the Royal County of Berkshire Pension Scheme (RCBPS), which after some years of adverse valuation movements, saw a substantial improvement at 31 August 2022. In particular, changes in interest rates positively impacted the overall scheme valuation resulting in an actuarial gain of £16,269k in the year for Mary Hare's share.

Mary Hare employees participate in three pension schemes:

- The Royal County of Berkshire Pension Scheme (RCBPS) defined benefit Scheme (closed to new members from 31 December 2018)
- The Teachers' Pension defined benefit Scheme (TPS); and
- The People's Pension defined contribution Scheme (established 1 January 2019 for all non-teaching staff joining from that date onwards).

The RCBPS scheme reflects the majority of Mary Hare's pension obligations. Each financial year end under the requirements of FRS 102, the amount of money owed to meet our pension obligations under the RCBPS has to be recalculated and netted against the revised asset value, resulting in a revised net liability or surplus.

For the accounting period ended 31 August 2022, pension scheme adjustments totalling £14,841k (net gain) were included, leaving an overall liability under the scheme of £1,739k. This compares with a pension deficit liability in 2020/21 of £16,580k. The drivers of such a significant valuation improvement were the financial assumptions used by the scheme actuary. The discount rate used is provided by pension advisers who refer to IBoxx AA rated over 15 years Corporate bond rates. The assumptions used in the valuation relate to the discount rate (investment return), pension increases and salary increase assumptions and are reviewed every year for the purposes of the FRS102 calculations.

The net cost included in the accounts includes £991k of returns on fixed asset investments, of which £250k is interest. In addition, £357k of positive contribution was due to changes in demographic assumptions aligned to average life expectancy impacting the period members' pensions are expected to be paid out for.

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Every three years a formal actuarial valuation of the entire RCBPS is undertaken. Its purpose is to value the assets and liabilities of each individual employer and the pension fund as a whole, with a view to setting employer contribution rates that will result in each employer's liabilities becoming as close to fully funded as possible over the agreed recovery period usually several years away. The latest valuation has resulted in an increase in the regular employer contribution rate from 17.5% to 20.5%, effective April 2023 and a reduction in the lump sum payments for the three years from 2023. These changes are reflected in the financial strategy and reflected in the three year forecast projections.

The TPS is a multiemployer defined benefit scheme, as such, it is not possible or appropriate to segregate the assets or liabilities that are attributable to Mary Hare, therefore, under the requirements of FRS 102 Mary Hare accounts for this scheme as if it were a defined contribution scheme.

The overall cash balance at the year-end was £2,206k, a decrease of £4,626k from the prior year. This was driven by operational cash inflows of £2,186k netted against outflows of £6,812k which primarily related to the purchase of fixed assets (Primary School build £6,419k and other fixed asset additions £406k).

Excluding the FRS 102 pension adjustments Mary Hare returned an operating surplus of £1,104k.

Plans for the Future

Robin Askew, previously Vice-Principal Care, was appointed Principal/CEO taking over from Peter Gale who retired in August 2022.

This year the focus is on ensuring stability for the organisation during the transition in leadership and a period of reflection whilst initiating new ideas and opportunities. The promotion of a 'one school' ethos and strengthening the fantastic opportunities of having both schools on one campus will feature highly in our work.

There is continuing ambition for growth, development, and investment. The Executive and Leadership teams will undertake curriculum reviews as well as a secondary school masterplan review to determine our future priorities.

There is a continued need to reengage with stakeholders within Local Authorities and also existing and prospective families who have not had the opportunity to visit as frequently during the Covid period. The opening of the new primary school provides an ideal opportunity to welcome back visitors.

There is a lot of anticipation and excitement about the next couple of years and the opportunities that arise in a post-Covid era.

Principal Risks and Uncertainties

The Trustees regularly examine the major risks facing Mary Hare. There are systems to monitor and mitigate any impact they may have on the organisation and the Trustees are satisfied that adequate systems are in place.

Mary Hare relies on the funding of pupil places by Local Authorities and therefore is a need to be aware of the financial situation in Local Authorities and any barriers to placement families may face. The current economic climate with high inflation and pressures on public spending provide significant uncertainty in relation to fee income. The economic realities result in additional financial and operational risks in respect of rising costs, staff recruitment and retention and the costs of energy supplies.

Too many of our pupils' families have to endure substantial effort and stress of fighting for their child's placement at Mary Hare, despite the school being successfully named in virtually all tribunal outcomes. Post Covid-19 there are significant delays in tribunals being scheduled and heard (now approaching 12 months), resulting in delays to pupils joining Mary Hare.

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Trustees remains alert to the need to ensure the highest possible level of safeguarding for our pupils, which is of paramount importance in this school setting. Procedures and practices are regularly inspected by Trustees, Ofsted, the pupils' home local authorities and independent third parties, and their reports are scrutinised by management and the Board.

The RCBPS deficit liability remains a risk although with the movement in financial assumptions, in particular the discount factor resulted in a significant reduction in the deficit in the year. A recovery plan is in place including lump sum contributions from Mary Hare and with the results of the March 2022 triennial valuation due in early 2023 these contributions are likely to be reduced.

Remuneration of Key Management Personnel

Key Management Personnel are remunerated at appropriate levels taken from the NJC or school leadership scales. These are reviewed by the HR & Governance Committee of the Board of Trustees.

Equality, Diversity and Inclusion

Mary Hare recognises the value of every individual and actively promotes equality of opportunity. It is a welcoming organisation where everyone is valued highly and where tolerance, honesty, co-operation, and mutual respect for others are fostered. Mary Hare believes firmly in equality of opportunity in employment and education. The school is committed to developing policies, practices and procedures that promote equality of opportunity and anti-discriminatory practices, and ensuring that job applicants, employees and pupils receive equal treatment.

Mary Hare aims to promote equality and tackle any form of discrimination, challenging opinions or behaviours in the organisation that are contrary to fundamental British values, including democracy, the rule of law, individual liberty and mutual respect and tolerance of different faiths, cultures and beliefs and actively promotes harmonious relationships in all areas of organisation life. The school seeks to remove any barriers to access, participation, progression, attainment and achievement.

Practice is underpinned by the following values, principles and standards:

- Acknowledging and valuing diversity;
- Respect for others;
- Compliance with equal opportunities legislation;
- Commitment to inclusion;
- Elimination of unfair prejudice and discrimination; and
- Commitment to the positive development of all staff and pupils.

Reserves Policy

Reserves are that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. Trustees take a risk-based approach in developing and determining the reserves policy. Principally, free reserves are held to be used in the event of a sudden or unforeseen loss or reduction in income that threatens the viability of the organisation. Mary Hare currently holds reserves in the form of fixed assets, mostly buildings. However, these do not offer the same liquidity as free reserves as it would be difficult to dispose of them quickly in the event of an emergency.

Mary Hare's core income is derived from contracted fees from Local Authorities together with additional fee-based income from the Education and Skills Funding Agency (ESFA). Due to the nature and tenure of the fee contracts, a sudden and significant reduction in fee income is deemed low risk. Any significant reduction in pupil numbers is known with some certainty in advance allowing the organisation to plan and adapt its costs to reflect the lower income.

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Due to the nature and timing of core income the end of the financial year is the lowest point in the organisation's annual cash cycle with this low point only occurring for a very short period. This is directly attributable to two key factors, the first being that the summer holiday is the largest net cash outflow period in the financial year and coincides with the lowest period of income when fee income is limited. However, invoices for contracted fees are issued in August ahead of a new academic year and generally paid in September, quickly raising the level of cash and liquid assets.

Due to the relative certainty of this contracted income Trustees regard the risk of maintaining low levels of liquid reserves immediately after the year end as low. Through its Finance Committee Trustees monitor the organisation's financial health including the cashflow position with regular reviews of management accounts, budgets and forecasts. Mary Hare is able to adapt its controllable operating costs to reflect changes in income including slowing or postponing planned major projects and capital expenditure.

Reflecting on the cyclical nature of cashflows, the contracted fee income and the ability to address quickly controllable costs, Trustees have set a target level of cash reserves of between £1.5m and £2.5m at the end of the financial year. This level of reserves enables the organisation to financially manage its operations in the event of small delays in settlement by Local Authorities to their invoiced fee income.

Public Benefit

Mary Hare provides education to its pupils within the national curriculum and meets the standards set by Ofsted. This meets a fundamental test for the advancement of education for public benefit identified by the Charity Commission. The education is restricted to pupils who are moderately, severely or profoundly deaf or who have other hearing difficulties. This class of beneficiaries has a particular common charitable need which justifies restricting the benefit to them because of the special nature of the education required.

In setting the school's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Environmental Initiatives

Mary Hare continues to undertake a series of environmental initiatives. A wide range of projects have been rolled out recently to reduce energy consumption. These include continuing investment in installation of modern efficient light fittings and a programme to install new double-glazing windows, and in the older boarding houses sensors and new radiator heat controls. Both of the newer secondary school buildings are partly heated by solar panels and in both the newer houses, the highest levels of insulation have been incorporated. The new primary school is heated using air sourced heat pumps and has solar panels located on the roof of the new boarding house.

During the year we have engaged with our waste management partner exploring opportunities to reduce waste and improve recycling. Management are continuing to engage with pupils to identify and implement new initiatives including the reduction in single use plastics.

The pupils' Eco Club restarted in April after a break due to Covid-19. In the term leading up to the summer pupils in the Eco Club helped the School Council and management to understand how pupils thought implementing recycling at Mary Hare could work. Pupils in the club highlighted areas on site where more bins and recycling points would make the most impact. Pupils have also reintroduced pen recycling to all classrooms and carried out a survey of electrical use. They produced a "kettle boil equivalent" to highlight how much electricity appliances use. They have produced a PowerPoint to share with other pupils to encourage more awareness and action in reducing the impact we have on the environment.

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Accounting Responsibilities

The Trustees (who are also directors of Mary Hare for the purposes of company law) are responsible for preparing the Trustees' report (including the Group strategic report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

Statement of Disclosure

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

Auditor

The auditors, Crowe U.K. LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
A J Strivens (Chair)
(Chair of Trustees)
Date: 2 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY HARE

Opinion

We have audited the financial statements of Mary Hare for the year ended 31 August 2022 which comprise the consolidated Statement of Financial Activities, the consolidated Summary Income and Expenditure Account, the Group and Company Balance Sheets, the consolidated Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY HARE (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, 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 included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' 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:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY HARE (CONTINUED)

In preparing the financial statements, the trustees are responsible for assessing the group's or 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 trustees 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were The Education (Independent School Standards) Regulations 2014, Health and Safety, General Data Protection Regulations, Safeguarding and Food Standards. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any

The greatest risk of material impact on the financial statements is from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and General Purposes Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing on non-fee income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARY HARE (CONTINUED)

these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. 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.



Janette Joyce

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

3 March 2023

MARY HARE
(A company limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Restricted Funds £000	Unrestricted funds £000	Total 31 August 2022 £000	Total Period to 31 August 2021 £000
INCOME FROM:					
Donations and legacies	4	1,834	89	1,923	2,784
Charitable activities	5	98	14,461	14,559	13,638
Other trading activities	6	-	451	451	128
Investments		-	3	3	2
Other income	7	-	41	41	597
Total income		1,932	15,045	16,977	17,149
EXPENDITURE ON:					
Raising funds:					
Voluntary income		-	18	18	278
Other trading activities		-	249	249	67
Charitable activities:					
Charitable activities	8	477	13,618	14,095	14,478
Pension scheme costs		-	1,428	1,428	1,146
Governance		-	61	61	59
Total expenditure		477	15,374	15,851	16,028
Net income from investments in joint ventures		-	89	89	56
Net income/(expenditure)		1,455	(240)	1,215	1,177
Taxation		-	-	-	(7)
Transfer between funds	17	59	(59)	-	-
Net movement in funds before other recognised gains/(losses)		1,514	(299)	1,215	1,170
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	16,269	16,269	(1,250)
Net movement in funds		1,514	15,970	17,484	(80)
Reconciliation of funds:					
Total funds brought forward		4,566	(4,043)	523	603
Net movement in funds		1,514	15,970	17,484	(80)
Total funds carried forward		6,080	11,927	18,007	523

All the activities relate to continuing operations. The Statement of Financial Activities includes all the gains and losses recognised in the period. The group's share of turnover from joint ventures was £311,000 (2021: £612,000).

The notes on pages 22 to 48 form part of these financial statements.

MARY HARE
(A company limited by guarantee)
REGISTERED NUMBER: 3085006
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£000	£000	£000	£000
FIXED ASSETS:					
Tangible assets	13		19,509		13,056
Investments	14		76		68
			<u>19,585</u>		<u>13,124</u>
CURRENT ASSETS					
Stocks		55		49	
Debtors	15	1,915		1,550	
Cash at bank and in hand		<u>2,206</u>		<u>6,832</u>	
		4,176		8,431	
Creditors: amounts falling due within one year	16	<u>(4,015)</u>		<u>(4,452)</u>	
Net current assets			<u>161</u>		<u>3,979</u>
Total assets less current liabilities			19,746		17,103
Defined benefit pension scheme liability	24		<u>(1,739)</u>		<u>(16,580)</u>
Total net assets			<u>18,007</u>		<u>523</u>
CHARITY FUNDS					
Restricted funds	17		6,080		4,566
Unrestricted funds					
Unrestricted funds excluded pension deficit	17	13,666		12,537	
Defined benefit pension scheme liability	17	<u>(1,739)</u>		<u>(16,580)</u>	
Total unrestricted funds	17		<u>11,927</u>		<u>(4,043)</u>
Total funds	19		<u>18,007</u>		<u>523</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



A J Strivens
Trustee

Date 2 March 2023

The notes on pages 22 and 48 form part of these financial statements

MARY HARE
(A company limited by guarantee)
REGISTERED NUMBER: 3085006
COMPANY BALANCE SHEET
AS AT 31 AUGUST 2022

	Notes	2022 £000	2021 £000
FIXED ASSETS:			
Tangible assets	13	19,508	13,055
Investments	14	-	-
		<u>19,508</u>	<u>-</u>
CURRENT ASSETS			
Stocks		44	38
Debtors	15	2,256	1,818
Cash at bank and in hand		<u>1,741</u>	<u>6,468</u>
		4,041	8,324
Creditors: amounts falling due within one year	16	<u>(3,941)</u>	<u>(4,398)</u>
Net current assets		<u>100</u>	<u>3,926</u>
Total assets less current liabilities		19,608	16,981
Defined benefit pension scheme liability	24	<u>(1,739)</u>	<u>(16,580)</u>
Total net assets		<u><u>17,869</u></u>	<u><u>401</u></u>
CHARITY FUNDS			
Restricted funds	17	6,080	4,566
Unrestricted funds			
Unrestricted funds excluded pension deficit	17	13,528	12,415
Defined benefit pension scheme liability	17	<u>(1,739)</u>	<u>(16,580)</u>
Total unrestricted funds	17	<u>11,789</u>	<u>(4,165)</u>
Total funds		<u><u>17,869</u></u>	<u><u>401</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



A J Strivens
Trustee

Date 2 March 2023

The notes on pages 22 to 48 form part of these financial statements

MARY HARE
(A company limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 AUGUST 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	20	<u>2,186</u>	<u>3,274</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		(3)	2
Proceeds from the sale of tangible fixed assets		16	2,221
Purchase of tangible fixed assets		<u>(6,825)</u>	<u>(2,550)</u>
Net cash used in investing activities		<u>(6,812)</u>	<u>(327)</u>
Change in cash and cash equivalents in the period			
Cash and cash equivalents at the beginning of the period		<u>6,832</u>	<u>3,885</u>
Cash and cash equivalents at the end of the period	21	<u>2,206</u>	<u>6,832</u>

The notes on pages 22 to 48 form part of these financial statements

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. CHARITY INFORMATION

The School's principal activity in the period under review was the provision of education for deaf children using an auditory oral method with spoken and written English and the use of the best technology at its heart. The incorporated charity (registered number 03085006 and charity number 1048386), is incorporated and domiciled in the UK. The address of the registered office is Arlington Manor, Snelsmore Common, Newbury, Berkshire, RG14 3BQ.

2. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mary Hare meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The comparative information in these financial statements is for a 14-month period.

b) Going concern

The Trustees have reviewed Mary Hare's available funds and expected future cash outflows alongside anticipated demand for school places and have a reasonable expectation that the organisation has adequate resources to continue its activities into the foreseeable future. This decision has been taken with consideration of the potential impacts of the wider economic environment on Mary Hare's operational activities and finances, including employment market challenges since the pandemic, Brexit and its impact on supplies and the cost of living crisis driven by the Energy crisis and the war in Ukraine.

The Trustees believe that the organisation can continue to manage the impacts of the above challenges to its operations, provide safe levels of staffing cover and have sufficient reserves to deal with any related additional expenditure. Cost management is a high priority with the school's finances being regularly monitored and reviewed by the Executive Team and Trustees. The Board of Trustees regularly reviews and updates the organisation's three-year plan, providing further reassurance of the financial strategy and its sustainability. The Trustees continue to adopt the going concern basis in preparing the financial statements.

c) Fund accounting

The nature and purpose of each fund are explained in note 17.

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES (continued)

d) Fees and similar income

Fees

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Donations and legacies

Income from donations and legacies is recognised in the year in which the school becomes legally entitled to the relevant income and the amount can be quantified with reasonable certainty.

Donations received for the general purposes of the charity are included within unrestricted funds.

Donations and Legacies continued

Donations for activities restricted by the provider are taken to restricted funds where these wishes are legally binding on the Trustees.

Donations in kind are reflected in the financial statements at their estimated value to Mary Hare.

Grants receivable

Grants are normally recognised as income in the period to which they relate.

Grants received in respect of property or other fixed asset additions are credited to a fixed asset grant fund within restricted funds. An annual transfer to unrestricted funds is made in respect of the amortisation of the grants over the estimated useful life of the relevant asset.

Deferred income

Income is deferred for grants and other income where a deposit or receipt for a future service has been received.

e) Expenditure

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay. Expenditure is shown gross of any irrecoverable VAT.

Fundraising and publicity costs

Fundraising and publicity costs to promote the awareness of Mary Hare with the aim of generating fees and increasing donated income are treated as costs of generating funds.

Other informative publicity is treated as charitable expenditure.

f) Group financial statements

The financial statements consolidate the results of the charity, Mary Hare, and its wholly owned subsidiary, Mary Hare Services Ltd. The financial statements also reflect the group's share of the retained profit, assets and liabilities in respect of its investments in 50% joint ventures, the Hearing Aid Repair Shop (UK) Ltd, Mary Hare Total Hearing Solutions Ltd and Mary Hare Hearing Centres LLP, in accordance with the Charities SORP (FRS 102). The accounting treatment is to reflect these transactions, assets and liabilities on a gross basis. Income received by Mary Hare and Mary Hare Services Ltd as Gift Aid, management charges and rent is included as net income from investments in joint ventures.

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES (continued)

g) Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Improvements to freehold property	- 10% on cost
Motor vehicles, tractors & mechanical implements	- 20% on cost
Furniture, fittings & equipment	- 10% and 25% on cost

Items costing in excess of £1,000 with an estimated useful life of several years are capitalised and depreciated. Items costing less than £1,000 are written off as an expense when acquired.

h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the group's share of net assets. The Consolidated Statement of Financial Activities includes the group's share of the joint ventures' net income or expenditure using the equity accounting basis.

i) Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

j) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

k) Debtors

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

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES (continued)

l) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

n) Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Pensions

Teaching staff employed by Mary Hare are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory contributory, unfunded defined benefit scheme administered by the Teachers Pension Agency, an executive agency of the Department for Education. Pension costs are assessed in accordance with the advice of the Government Actuary. As this is a multi-employer scheme whose assets and liabilities are not separately identifiable, under Charities SORP (FRS 102) it is treated as a defined contribution scheme with a charge to the financial statements for the contributions paid and relevant disclosures about the scheme as a whole provided in note 24.

Mary Hare has a funded defined benefit scheme for those members of staff who are not eligible to join the Teachers' Pension Scheme. The assets of this scheme are administered by the Royal County of Berkshire Pension Scheme. This is also a multi-employer scheme, but the assets and liabilities relating to Mary Hare are separately identifiable and are accounted for as belonging to Mary Hare.

The financial statements take account of the annual valuation of the defined benefit scheme undertaken by the pension fund's actuaries. The scheme deficit is the shortfall of the value of the assets of the scheme compared with the present value of scheme liabilities. The deficit is shown as a liability in the balance sheet. The current service cost, expected return on pension scheme assets, interest on pension scheme liabilities and past service gains and costs are within the resources expended section of the Statement of Financial Activities. Actuarial gains and losses arising from updating the latest actuarial valuation to reflect conditions at the balance sheet date are recognised in the gains and losses section of the Statement of Financial Activities. More details are included in note 24.

Mary Hare also operates the People's Pension defined contribution scheme and the pension charge represents the amounts payable by the group to the fund for the period.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES (continued)

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Bad debts

Using information available at the balance sheet date, the Charity makes judgements based on experience regarding the level of provision required to account for potentially uncollectible fees.

3. Critical accounting estimates and areas of judgement (continued)

Pensions (see note 24)

Various assumptions are made in reporting the performance of the Charity's share of the pension scheme. A valuation is carried out for reporting purposes by a qualified independent actuary. The principal actuarial assumptions made are disclosed in note 24.

Allocation of expenditure

Where expenditure is not directly attributable to activity categories, costs are apportioned on the basis of various factors such as staff numbers or by reference to the proportion of resources utilised.

4. Income from donations and legacies

	Restricted Funds £000	Unrestricted funds £000	Total 31 August 2022 £000	<i>Total Period to 31 August 2021 £000</i>
Donations from Mary Hare Foundation	1,530	-	1,530	2,066
Legacy reversal	(140)	-	(140)	
Other donations	-	15	15	90
Other grants	-	-	-	-
DfE grants received	<u>444</u>	<u>74</u>	<u>518</u>	<u>628</u>
	<u>1,834</u>	<u>89</u>	<u>1,923</u>	<u>2,784</u>
Total 2021	<u>2,449</u>	<u>335</u>	<u>2,784</u>	<u>2,784</u>

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from charitable activities

	Restricted Funds £000	Unrestricted funds £000	Total 31 August 2022 £000	Total Period to 31 August 2021 £000
Schools fees	-	14,227	14,227	13,341
Burwood centre for childhood deafness fees	-	28	28	29
Hertfordshire University / Oxford Brookes training courses	-	197	197	165
Outreach and consultancy income	-	-	-	-
Music therapy	-	6	6	4
Other educational income	<u>98</u>	<u>3</u>	<u>101</u>	<u>99</u>
	<u>98</u>	<u>14,461</u>	<u>14,559</u>	<u>13,638</u>
Total 2021	<u>-</u>	<u>13,638</u>	<u>13,638</u>	<u>13,638</u>

6. Other trading activities

Other trading activities represents the turnover of the trading subsidiary, Mary Hare Services Limited

7. Other income

	Unrestricted funds £000	Total 31 August 2022 £000	Total Period to 31 August 2021 £000
Other income	25	25	26
Profit on disposal of tangible assets	<u>16</u>	<u>16</u>	<u>571</u>
	<u>41</u>	<u>41</u>	<u>597</u>
Total 2021	<u>597</u>	<u>597</u>	<u>597</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted Funds £000	Unrestricted funds £000	Total 31 August 2022 £000	Total Period to 31 August 2021 £000
Teaching and support costs	304	10,135	10,439	9,541
Welfare	-	3,358	3,358	3,652
Premises	173	1,553	1,726	2,431
Governance costs	<u>-</u>	<u>61</u>	<u>61</u>	<u>59</u>
	<u>477</u>	<u>15,107</u>	<u>15,584</u>	<u>15,683</u>
Total 2021	<u>326</u>	<u>15,357</u>	<u>15,683</u>	<u>15,683</u>

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure on charitable activities (continued)

Summary of expenditure type

	Staff Costs £000	Depreciation £000	Other Costs £000	Total 31 August 2022 £000	<i>Total Period to 31 August 2021 £000</i>
Teaching and support costs	9,022	113	1,304	10,439	9,541
Welfare	2,784	-	574	3,358	3,652
Premises	312	259	1,155	1,726	2,431
Governance costs	-	-	61	61	59
	<u>12,118</u>	<u>372</u>	<u>3,094</u>	<u>15,584</u>	<u>15,683</u>
Total 2021	<u>12,280</u>	<u>420</u>	<u>2,983</u>	<u>15,683</u>	<u>15,683</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 31 August 2022 £000	Support cost 31 August 2022 £000	Total Funds 31 August 2022 £000	<i>Total Funds Period to 31 August 2021 £000</i>
Teaching and support costs	8,552	1,887	10,439	9,541
Welfare	3,358	-	3,358	3,652
Premises	1,467	259	1,726	2,431
Governance costs	-	61	61	59
	<u>13,377</u>	<u>2,207</u>	<u>15,584</u>	<u>15,683</u>
Total 2021	<u>14,229</u>	<u>1,454</u>	<u>15,683</u>	<u>15,683</u>

Analysis of support costs

	Total Funds 31 August 2022 £000	<i>Total Funds Period to 31 August 2021 £000</i>
Staff costs	1,060	949
Depreciation	372	10
Other costs	714	436
Governance costs	61	59
	<u>2,207</u>	<u>1,454</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

10. Auditors' remuneration

	Total Funds 31 August 2022 £000	<i>Total Funds Period to 31 August 2021 £000</i>
Fees payable to the company's auditor for:		
The audit of the company's annual accounts	20	20
The audit for the subsidiary annual accounts	5	
All non-audit services not included above	3	11
	28	31

11. Staff costs

All comparatives relate to 13½ months period from 11 July 2020 to 31 August 2021.

	Group 31 August 2022 £000	<i>Group Period to 31 August 2021 £000</i>	Company 31 August 2022 £000	<i>Company Period to 31 August 2021 £000</i>
Wages and salaries	8,790	8,739	8,745	8,719
Social security costs	791	790	791	790
Other pension costs	<u>2,582</u>	<u>3,028</u>	<u>2,582</u>	<u>3,028</u>
	12,163	<i>12,557</i>	12,118	<i>12,537</i>

Included within other pensions costs are costs of £1,428,000 (2021: £1,146,000) relating to the Royal County of Berkshire Pension Scheme. Of this amount, cost of £1,160,000 (2021: £902,000) represent the service cost less employer contributions during the year and costs of £268,000 (2021: £244,000) represents the net return on assets as shown in note 24.

The cost of contributions to the People's Pension defined contribution pension scheme for the period was £161,102 (2021: £121,000).

The average number of persons employed by the company during the year was as follows:

	Group 31 August 2022 £000	<i>Group Period to 31 August 2021 £000</i>
Teaching staff	64	66
Care staff	66	67
Teaching support	76	64
Management and administration	34	34
Catering, cleaning and maintenance	45	46
Burwood centre for childhood deafness	2	3
Arlington Arts Centre	<u>6</u>	<u>6</u>
	293	<i>287</i>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 31 August 2022 £000	<i>Group Period to 31 August 2021 £000</i>
Teaching staff	59	62
Care staff	54	52
Teaching support	62	51
Management and administration	29	28
Catering, cleaning and maintenance	39	39
Burwood centre for childhood deafness	1	1
Arlington Arts Centre	5	6
	<u>249</u>	<u>239</u>

All comparatives relate to 13½ months period from 11 July 2020 to 31 August 2021.

The number of employees whose employee benefits (excluding employer pension costs) exceed £60,000 was:

	Group 31 August 2022 £000	<i>Group period to 31 August 2021 £000</i>
In the band £60,001 – 70,000	1	14
In the band £70,001 - £80,000	1	3
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	1	4
In the band £130,001 - £140,000	1	-
In the band £150,001 - £160,000	-	1

With the exception of the Principal, neither the Trustees nor persons connected with them received any remuneration or other benefits during the period other than the reimbursement of travel expenses incurred. Total reimbursements during the period were £166 (2021: £55) in respect of 1 trustee (2021: 1 trustee). All other trustees incurred expenses without reimbursement.

The six (2021: twenty-three) employees receiving a salary above £60,000 this year are also accruing benefits either under a defined contribution or a defined benefit scheme (Teachers' Pension Scheme and The Royal County of Berkshire Pension Scheme). The contributions in the year were £122,000 (2021: £379,000).

The charity considers its key management personnel comprise the trustees and senior management team. The total employment benefits, including employer pension contributions and social security costs, of the key management personnel for the year were £599,000 (2021: £767,000).

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

12. Parent company results

The parent company has taken advantage of Section 408 Companies Act 2006 in not preparing its own Statement of Financial Activities.

The net surplus of the parent company was £17,469,000 (*£2021: £33,000 deficit*)

13. Tangible fixed assets

GROUP

	Freehold property £000	Furniture, fittings and equipment £000	Motor vehicles, tractors and mechanical implements £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 September 2021	11,450	2,951	210	2,339	16,950
Additions	48	308	50	6,419	6,825
Transfer to Freehold property	8,758	-	-	(8,758)	-
Disposals	-	(36)	(66)	-	(102)
At 31 August 2022	<u>20,256</u>	<u>3,223</u>	<u>194</u>	<u>-</u>	<u>23,673</u>
Depreciation					
At 1 September 2021	1,139	2,566	189	-	3,894
Charge for the period	176	176	20	-	372
On disposals	-	(36)	(66)	-	(102)
At 31 August 2022	<u>1,315</u>	<u>2,706</u>	<u>143</u>	<u>-</u>	<u>4,164</u>
Net book value					
At 31 August 2022	<u>18,941</u>	<u>517</u>	<u>51</u>	<u>-</u>	<u>19,509</u>
At 31 August 2021	<u>10,311</u>	<u>385</u>	<u>21</u>	<u>2,339</u>	<u>13,056</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

13. Tangible fixed assets(continued)

COMPANY

	Freehold property £000	Furniture, fittings and equipment £000	Motor vehicles, tractors and mechanical implements £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 September 2021	11,450	2,915	210	2,339	16,914
Additions	48	308	50	6,419	6,825
Transfer to Freehold property	8,758	-	-	(8,758)	-
Disposals	-	-	(66)	-	(66)
At 31 August 2022	<u>20,256</u>	<u>3,223</u>	<u>194</u>	<u>-</u>	<u>23,673</u>
Depreciation					
At 1 September 2021	1,139	2,531	189	-	3,859
Charge for the period	176	176	20	-	372
On disposals	-	-	(66)	-	(66)
At 31 August 2022	<u>1,315</u>	<u>2,707</u>	<u>143</u>	<u>-</u>	<u>4,165</u>
Net book value					
At 31 August 2022	<u>18,941</u>	<u>516</u>	<u>51</u>	<u>-</u>	<u>19,508</u>
At 31 August 2021	<u>10,311</u>	<u>384</u>	<u>21</u>	<u>2,339</u>	<u>13,055</u>

For both the group and the company, included in freehold property is freehold land at valuation of £3,600,000 (2021: £3,600,000) which is not depreciated.

Cost or valuation at 31 August 2022 is as follows:

	Group 31 August £000	Company 31 August £000
At cost	20,141	20,141
At valuation: 2014	115	115
	<u>20,256</u>	<u>20,256</u>

The freehold properties were revalued on 10 July 2014 by Savills (UK) Limited, Chartered Surveyors on a full vacant possession basis.

The group and the company have applied the transitional provision of the Charities SORP 9FRS 102) and the valuation of freehold property has not been updated since the last valuation in 2014.

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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13. Tangible fixed assets(continued)

If the freehold property had not been included at valuation they would have been included under the historical cost convention as follows:

	Group 31 August 2022 £000	<i>Group Period to 31 August 2021 £000</i>	Company 31 August 2022 £000	<i>Company Period to 31 August 2021 £000</i>
Cost	20,140	11,334	20,140	11,334
Accumulated depreciation	(4,974)	(4,585)	(4,974)	(4,585)
	<u>15,166</u>	<u>6,749</u>	<u>15,166</u>	<u>6,749</u>

14. Fixed asset investments

GROUP

	Investment in joint ventures £
Cost or valuation	
At 1 September 2021	68
Movement	8
	<u>76</u>
At 31 August 2022	<u>76</u>
Net book value	
At 31 August 2022	<u>76</u>
At 1 September 2021	<u>68</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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14. Fixed asset investments (continued)

The charity holds £2 investment, this is a 100% shareholder in Mary Hare Services Limited (company no, 03280117), a subsidiary which is used to carry out trading activities including letting the buildings and grounds of Mary Hare, providing catering and other function facilities where required, sale of sculptures, and the provision of training. Its taxable profits are donated to Mary Hare under Gift Aid.

	31 August 2022 £000	<i>Period to 31 August 2021 £000</i>
Income	461	140
Expenditure	(341)	(66)
	120	74

	31 August 2022 £000	<i>Period to 31 August 2021 £000</i>
Net assets	88	137
	88	137

The group's joint venture investments comprise:

- The subsidiary's investment in the Hearing and Repair Shop (UK) Ltd, Mary Hare Total Hearing Solutions Ltd and Mary Hare Hearing Centres LLP. All are incorporated in England and Wales.

	31 August 2022 £000	<i>Period to 31 August 2021 £000</i>
Share of gross assets	198	169
Share of gross liabilities	(122)	(101)
	76	68

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

15. Debtors

	Group 31 August 2022 £000	<i>Group Period to 31 August 2021 £000</i>	Company 31 August 2022 £000	<i>Company Period to 31 August 2021 £000</i>
Trade debtors	1,745	1,080	1,740	1,073
Amounts owed by group undertakings	53	-	400	275
Other debtors	37	351	36	352
Prepayments and accrued income	<u>80</u>	<u>119</u>	<u>80</u>	<u>118</u>
	<u>1,915</u>	<u>1,550</u>	<u>2,256</u>	<u>1,818</u>

16. Creditors: Amounts falling due within one year

	Group 31 August 2022 £000	<i>Group Period to 31 August 2021 £000</i>	Company 31 August 2022 £000	<i>Company Period to 31 August 2021 £000</i>
Trade creditors	158	1,084	151	1,078
Other taxation and social security	400	353	371	351
Other creditors	601	561	601	564
Deferred income	<u>2,856</u>	<u>2,454</u>	<u>2,818</u>	<u>2,405</u>
	<u>4,015</u>	<u>4,452</u>	<u>3,941</u>	<u>4,398</u>

	Group 31 August 2022 £000	<i>Group Period to 31 August 2021 £000</i>	Company 31 August 2022 £000	<i>Company Period to 31 August 2021 £000</i>
Deferred income at 1 September 2021	2,454	1,229	2,405	1,188
Resources deferred during the period	(2,454)	(1,229)	(2,405)	(1,188)
Amounts released from previous periods	<u>2,856</u>	<u>2,454</u>	<u>2,818</u>	<u>2,405</u>
	<u>2,856</u>	<u>2,454</u>	<u>2,818</u>	<u>2,405</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

Statement of funds – current period

	<i>Balance at 1 September 2021 £000</i>	Income £000	Expenditure £000	Taxation £000	Transfers in/out £000	Gains/ Losses £000	Balance at 31 August 2022 £000
Unrestricted funds							
Designated funds							
Arts and design centre	175	-	-	-	(7)	-	168
Sixth form centre fund	686	-	-	-	(32)	-	654
Property grants fund	543	-	-	-	(26)	-	517
Arlington Arts Centre	1,425	-	-	-	(44)	-	1,381
New primary school	140	-	-	-	(140)	-	-
School renovations	49	-	-	-	(49)	-	-
	<u>3,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298)</u>	<u>-</u>	<u>2,720</u>
General funds							
Reserves	8,048	15,045	(13,946)	-	239	89	9,475
Revaluation reserve	1,471	-	-	-	-	-	1,471
Pension reserve	(16,580)	-	(1,428)	-	-	16,269	(1,739)
	<u>(7,061)</u>	<u>15,045</u>	<u>(15,374)</u>	<u>-</u>	<u>239</u>	<u>16,358</u>	<u>9,207</u>
	<u>(4,043)</u>	<u>15,045</u>	<u>(15,374)</u>	<u>-</u>	<u>(59)</u>	<u>16,358</u>	<u>11,927</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

	<i>Balance at 1 September 2021 £000</i>	Income £000	Expenditure £000	Taxation £000	Transfers in/out £000	Gains/ Losses £000	Balance at 31 August 2022 £000
Restricted funds							
Burwood centre for childhood deafness Group Hearing project	2	3 8	-	-	(3) -	-	2 8
Arlington Arts Centre car park	18	-	-	-	(2)	-	16
- The Big Lottery Fund	143	-	-	-	(4)	-	139
- Nordoff Robbins Swimming Pool	95 383	-	-	-	(2) (8)	-	93 375
Devolved formula capital	72	220	(174)	-	1	-	119
Teachers pay grant	-	37	(37)	-	-	-	-
16-19 Bursary	-	15	(7)	-	-	-	8
Pupil Premium	-	72	(72)	-	-	-	-
Teachers pension grant	-	187	(187)	-	-	-	-
Murray House	1,610	-	-	-	(37)	-	1,573
Howard House II	156	-	-	-	(5)	-	151
New primary school	2,066	1,390	-	-	140	-	3,596
Other amounts	21	-	-	-	(21)	-	-
	<u>4,566</u>	<u>1,932</u>	<u>(477)</u>	<u>-</u>	<u>59</u>	<u>-</u>	<u>6,080</u>
Total of funds	<u>523</u>	<u>16,977</u>	<u>(15,851)</u>	<u>-</u>	<u>-</u>	<u>16,358</u>	<u>18,007</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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17. Statement of funds (continued)

Statement of funds – prior period

	<i>Balance at 11 July 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Taxation £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ Losses £000</i>	<i>Balance at 31 August 2021 £000</i>
<i>Unrestricted funds</i>							
<i>Designated funds</i>							
<i>Arts and design centre</i>	182	-	-	-	(7)		175
<i>Sixth form centre fund</i>	718	-	-	-	(32)	-	686
<i>Property grants fund</i>	569	-	-	-	(26)	-	543
<i>Arlington Arts Centre</i>	1,469	-	-	-	44	-	1,425
<i>New primary school</i>	140	-	-	-	-	-	140
<i>School renovations</i>	49	-	-	-	-	-	49
	<u>3,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109)</u>	<u>-</u>	<u>3,018</u>
<i>General funds</i>							
<i>Reserves</i>	6,023	14,700	(14,556)	(7)	1,832	56	8,048
<i>Revaluation reserve</i>	3,060	-	-	-	(1,589)	-	1,471
<i>Pension reserve</i>	(14,184)	-	(1,146)	-	-	(1,250)	(16,580)
	<u>(5,101)</u>	<u>14,700</u>	<u>(15,702)</u>	<u>(7)</u>	<u>243</u>	<u>(1,194)</u>	<u>(7,061)</u>
	<u>(1,974)</u>	<u>14,700</u>	<u>(15,702)</u>	<u>(7)</u>	<u>134</u>	<u>(1,194)</u>	<u>(4,043)</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

	<i>Balance at 11 July 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Taxation £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ Losses £000</i>	<i>Balance at 31 August 2021 £000</i>
<i>Restricted funds</i>							
<i>Burwood centre for childhood deafness</i>	10	-	-	-	(8)	-	2
<i>Arlington Arts Centre car park</i>	20	-	-	-	(2)	-	18
<i>- The Big Lottery Fund</i>	148	-	-	-	(5)	-	143
<i>- Nordoff Robbins Swimming Pool</i>	98	-	-	-	(3)	-	95
	393	-	-	-	(10)	-	383
<i>Devolved formula capital</i>	72	100	(100)	-	-	-	72
<i>Teachers pay grant</i>	-	57	-	-	(57)	-	-
<i>Teachers pension grant</i>	-	226	(226)	-	-	-	-
<i>Murray House</i>	1,655	-	-	-	(45)	-	1,610
<i>Howard House II</i>	160	-	-	-	(4)	-	156
<i>New primary school</i>	-	2,066	-	-	-	-	2,066
<i>Other amounts</i>	21	-	-	-	-	-	21
	<u>2,577</u>	<u>2,449</u>	<u>(326)</u>	<u>-</u>	<u>(134)</u>	<u>-</u>	<u>4,566</u>
<i>Total of funds</i>	<u>603</u>	<u>17,149</u>	<u>(16,028)</u>	<u>(7)</u>	<u>-</u>	<u>(1,194)</u>	<u>523</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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17. Statement of funds (continued)

Transfers out of restricted funds relate to depreciation on restricted fixed assets. Transfers out of designated relate to non-capital items which have been purchased out of the general reserves.

Arlington Arts Centre

This represents donations received towards the Arlington Arts Centre. Certain funds are classified as designated funds within unrestricted funds and other funds are classified as restricted funds. In respect of restricted funds, a transfer will be made from restricted to unrestricted funds over the useful economic life of the Centre.

Burwood centre for childhood deafness

Mary Hare operates the Burwood centre for childhood deafness, a facility which assesses the level of deafness in young children, while ensuring it maintains its professional independence. The centre exists on donations and invoiced services provided. Any deficit in annual running costs is funded from unrestricted reserves.

Swimming pool

This represents donations from the Mary Hare Foundation for the refurbishment of the swimming pool. A transfer will be made from restricted to unrestricted funds over the useful economic life of the asset.

Devolved formula capital

This income is to be spent on items deemed as capital by the Department of Education. The balance at the year end represents equipment for senior teachers purchased in previous periods. A transfer is made from restricted to unrestricted funds in respect of depreciation on equipment funded by the grant.

Murray House

This represents donations from the Mary Hare Foundation for the building of Murray House. A transfer will be made from restricted to unrestricted funds over the useful economic life of the property.

Howard House II

This represents donations from the Mary Hare Foundation for the building of Howard House II. A transfer will be made from restricted to unrestricted funds over the useful economic life of the property.

New primary school

This represents donations from the Mary Hare Foundation for the building of the new primary school. A transfer will be made from restricted to unrestricted funds over the useful economic life of the property.

Various other revenue grants and donations have been received during the period.

MARY HARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

18. Summary of funds

Summary of funds – current period

	<i>Balance at 1 September 2021 £000</i>	Income £000	Expenditure £000	Taxation £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Designated funds	3,018	-	-	-	(298)	-	2,720
General funds	(7,061)	15,045	(15,374)	-	239	16,358	9,207
Restricted funds	<u>4,566</u>	<u>1,932</u>	<u>(477)</u>	-	<u>59</u>	-	<u>6,080</u>
	<u>523</u>	<u>16,977</u>	<u>(15,851)</u>	-	-	<u>16,358</u>	<u>18,007</u>

Summary of funds – prior year

	<i>Balance at 11 July 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Taxation £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
Designated funds	3,127	-	-	-	(109)	-	3,018
General funds	(5,101)	14,700	(15,702)	(7)	243	(1,194)	(7,061)
Restricted funds	<u>2,577</u>	<u>2,449</u>	<u>(326)</u>	-	<u>(134)</u>	-	<u>4,566</u>
	<u>603</u>	<u>17,149</u>	<u>(16,028)</u>	(7)	-	<u>(1,194)</u>	<u>523</u>

19. Analysis of net assets between funds

Analysis of net assets between funds – current period

	Restricted Funds 2022 £000	Unrestricted Funds 2022 £000	Total Funds 2022 £000
Tangible fixed assets	5,945	13,564	19,509
Fixed asset investments	-	76	76
Current assets	135	4,041	4,176
Creditors due within one year	-	(4,015)	(4,015)
Provisions for liabilities and charges	-	(1,739)	(1,739)
Total	<u>6,080</u>	<u>11,927</u>	<u>18,007</u>

MARY HARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds – prior period

	<i>Restricted Funds 2021 £000</i>	<i>Unrestricted Funds 2021 £000</i>	<i>Total Funds 2021 £000</i>
<i>Tangible fixed assets</i>	4,473	8,583	13,056
<i>Fixed asset investments</i>	-	68	68
<i>Current assets</i>	1,292	7,188	8,480
<i>Creditors due within one year</i>	(1,199)	(3,302)	(4,501)
<i>Provisions for liabilities and charges</i>	-	(16,580)	(16,580)
<i>Total</i>	<u>4,566</u>	<u>(4,043)</u>	<u>523</u>

Group and charity restricted funds

	Tangible fixed assets 2022 £000	Other assets (liabilities) 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Restricted funds				
Burwood centre for childhood deafness	2	-	2	2
Arlington Arts Centre car park	16	-	16	18
Group Hearing project	-	8	8	
Arlington Arts Centre other costs	<u>232</u>	-	<u>232</u>	<u>238</u>
	250	8	258	258
DfE grants				
Devolved Formula Capital	-	119	118	72
				72
Other funds				
Murray House	1,573	-	1,573	1,610
16-19 Bursary	-	8	8	-
Howard House II	151	-	152	156
Swimming Pool	375	-	375	383
New Primary School	3,596	-	3,596	2,066
Other amounts	-	-	-	<u>21</u>
	<u>5,945</u>	<u>135</u>	<u>6,080</u>	<u>4,566</u>

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £000	<i>Group 2021 £000</i>
Net income/expenditure for the period (as per Standard of Financial Activities)	<u>1,215</u>	<u>1,170</u>
Adjustments for:		
Depreciation charges	372	420
Profit on the sale of fixed assets	(16)	(571)
Decrease/(increase) in stocks	(6)	(9)
Decrease/(increase) in debtors	(365)	(942)
Increase/(decrease) in creditors	(437)	2,020
Investment income	3	(2)
Pension scheme costs	1,428	1,146
Movement on joint venture investments	<u>(8)</u>	<u>42</u>
Net cash provided by operating activities	<u>2,186</u>	<u>3,274</u>

21. Analysis of cash and cash equivalents

	Group 2022 £000	<i>Group 2021 £000</i>
Cash in hand	<u>2,206</u>	<u>6,832</u>
Total cash and cash equivalents	<u>2,206</u>	<u>6,832</u>

22. Analysis of changes in net debt

	2021 £000	Cash flows £000	2022 £000
Cash at bank and in hand	<u>6,832</u>	<u>(4,626)</u>	<u>2,206</u>
	<u>6,832</u>	<u>(4,626)</u>	<u>2,206</u>

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23. Capital commitments

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	116	5,946	116	5,946
Repairs, maintenance or enhancements to investment property	-	-	-	-
	<u>116</u>	<u>5,946</u>	<u>116</u>	<u>5,946</u>

24. Pension commitments

The company participates in the Teachers' Pension Scheme (England and Wales) (the "TPS") and the Royal County of Berkshire Pension Scheme (RCBPS). The company makes contributions to both in accordance with recommended rates. These are both defined benefit schemes. In 2022 the cost of pension contributions was £1,422,000 (2021: £1,638,000) including £693,000 (2021: £823,000) to the TPS and £ 568,000 (2021: £815,000) to the RCBPS. The schemes are accounted for differently as the assets and liabilities of the RCBPS scheme can be separately identified as belonging to Mary Hare. This is not the case for the TPS scheme and only summary information for the scheme as a whole is provided.

The Teachers' Pension Scheme

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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24. Pension commitments (continued)

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

The next valuation result is due to be implemented from 1 April 2023.

The Royal County of Berkshire Pension Scheme

The group operates a defined benefit pension scheme, which has been closed to new members from 1 January 2019.

The last formal valuation on the assets and liabilities of the whole scheme was performed on 31 March 2019 and updated to 31 August 2021, identifying specific assets and liabilities relating to Mary Hare, by a qualified independent actuary. The major assumptions used by the actuary were:

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2022	2021
	%	%
Discount rate	4.25	1.65
Future salary increases	3.00	1.75
Future pension increases	<u>2.95</u>	<u>2.85</u>
	2022	2021
Mortality rates (in years)		
- for a male aged 65 now	21.0	21.3
- at 65 for a male aged 45 now	22.3	22.6
- for a female aged 65 now	23.85	24.0
- at 65 for a female aged 45 now	<u>25.3</u>	<u>25.4</u>

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24. Pension commitments (continued)

	2022	<i>2021</i>
	£000	<i>£000</i>
The group's share of the assets in the scheme was:		
Equities	10,281	<i>9,097</i>
Other bonds	2,538	<i>2,655</i>
Property	2,201	<i>1,756</i>
Cash and other liquid assets	277	<i>307</i>
Target return portfolio	24	<i>649</i>
Longevity insurance	(668)	<i>(839)</i>
Commodities	-	<i>-</i>
Infrastructure	1,783	<i>1,277</i>
	<u>16,436</u>	<i><u>14,902</u></i>

The amounts recognised in the Consolidated statement of financial activities are as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Current service cost	1,911	<i>1,745</i>
Net interest on the defined liability	268	<i>244</i>
Administrative expenses	16	<i>13</i>
Total amount recognised in the consolidated statement of financial activities	<u>2,195</u>	<i><u>2,002</u></i>

In the prior year, costs recognised in the Consolidated statement of financial activities included an amount of £522,000 in respect of interest in excess of the return on fund assets. This amount should have been recognised in the Consolidated statement of financial activities within actuarial losses on defined benefit pension schemes. Comparative amounts shown in the Consolidated statement of financial activities have been adjusted.

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24. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2022 £000
Opening defined benefit obligation	31,482
Contributions by scheme participants	255
Actuarial losses	(15,528)
Benefits paid	(463)
Current service cost	1,911
Interest cost	<u>518</u>
Closing defined benefit obligation	<u>18,175</u>

Movements in the fair value of the group's share of scheme assets were as follows:

	2022 £000
Opening fair value of scheme assets	14,902
Interest income	250
Actuarial gains	741
Contributions by employer	767
Contributions by scheme participants	255
Benefits paid	(463)
Administration expenses	<u>(16)</u>
Closing fair value of scheme assets	<u>16,436</u>

25. Mary Hare Foundation

As noted in the Report of the Board of Trustees, Mary Hare is associated with the Mary Hare Foundation, a charitable trust (Registration No. 1002680). The purpose of the Mary Hare Foundation is to raise significant funding for major capital and other projects undertaken by Mary Hare.

The Foundation financial statements are made up to 31 August. Its net assets at 31 August 2022 were £134,000 (2021: £627,000). Total funds raised in the year to 31 August 2022 were £1,166,000 (2021: £1,350,000). Mary Hare bears the administration costs of the Foundation. In the year to 31 August 2022 total costs were £103,000 (2021: £111,000). Further details of the Foundation can be obtained from Arlington Manor, Snelsmore Common, Newbury.

During the period the Foundation has donated funds of £1,530,000 (2021: £2,066,000) to Mary Hare.

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26. Subsidiary joint venture investments

Mary Hare Services Ltd has investments in three other entities. Two are incorporated as limited companies in England and Wales, the Hearing Aid Repair Shop (UK) Ltd and Mary Hare Total Hearing Solutions Ltd. During the year ended 10 July 2008 a limited liability partnership venture was set up, Mary Hare Hearing Centres LLP. All are jointly managed and controlled by Mary Hare Services Ltd and a third party, with the risks and rewards of ownership split equally between these parties. Therefore, in accordance with relevant accounting standards all have been treated as 50% joint ventures of Mary Hare Services Limited.

The Hearing Aid Repair Shop (UK) Ltd

Mary Hare Services Ltd has a 50% interest in this company by way of owning issued share capital of £1. The Hearing Aid Repair Shop (UK) Ltd was incorporated on 5 January 2001 with its principal activity being the repair of hearing aids. It prepares accounts to 31 December. For the year ended 31 December 2021 the company reported a profit of £13,000 (2020: £11,000) and as at 31 December 2021 had net assets of £47,000 (2020: £49,000).

Mary Hare Total Hearing Solutions Ltd

During the year ended 10 July 2008 the company transferred all assets and liabilities to the new joint venture partnership, Mary Hare Hearing Centre LLP, and is dormant, with net liabilities of £45,000 (2020: £45,000).

Mary Hare Hearing Centres LLP

Mary Hare Hearing Centres LLP commenced trading on 1 January 2008 with its principal activity being the assessment of hearing and provision of aids for the hearing impaired. It prepares accounts to 31 December. For the year ended 31 December 2021 the LLP reported a profit of £135,000 (2020: £129,000) and as at 31 December 2021 had net assets of £135,000 (2020: £131,000). Mary Hare Services Ltd has an interest in Mary Hare Hearing Centres LLP by way of loan. As at 31 August 2022 the loan was £53,000 (2021: £60,000).