

Mary Hare

Report of the Board of Trustees and Accounts

**For the Period 11 July 2020 to 31 August
2021**

Registered charity number 1048386

Securing the future of deaf children and young people

MARY HARE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its Governors, Directors and Charity Trustees and advisers	1 - 2
Trustees' report	3 - 11
Independent auditors' report on the financial statements	12 - 14
Consolidated statement of financial activities	15 - 16
Consolidated balance sheet	17
Company balance sheet	18
Consolidated statement of cash flows	19
Notes to the financial statements	20 - 48

MARY HARE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS, DIRECTORS AND
CHARITY TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2021**

Governors, Directors and Charity Trustees

A J Strivens (Chair)
G M Bisset
P R Gale
S Greenhalgh
P J Ludlow
A N R McAlpine
B J McGhie
A W McPhail
C M Rowles
R A G Sanders Rose OBE
J P Sharpe
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

Chief Operating Officer

P K Robson

Company Secretary

P K Robson

Independent Auditor

James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

MARY HARE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS, DIRECTORS AND
CHARITY TRUSTEES AND ADVISERS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021**

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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2021

The Trustees submit their report and the audited accounts for the period ended 31 August 2021 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).

Reference and Administrative Information

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 Governors, Directors and Trustees, the principal Company officers, the registered office and the professional advisors are as shown under the Reference and Administrative details 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.

Governing Body

The Governors are charity trustees, directors and members of the Company.

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

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

Education & Care – J P Sharpe

Finance – A J Strivens (Acting to 31 August 2021) – G M Bisset from 1 September 2021

Business – A J Strivens (Acting to 31 August 2021) – Committee amalgamated with Finance from 1 September 2021

HR & Governance – A J Strivens

Membership details of the sub-committees are available from Mary Hare. New Governors are inducted into the workings of the Charity on appointment and appropriate training is arranged.

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 period ended 31 August 2021, the day to day management of Mary Hare School was the responsibility of the Chief Executive Officer, P R Gale, working with his leadership team.

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

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 fees paid by the families for assessments, charitable donations and support from unrestricted income. The reports produced are wholly independent, 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, and the use of the Mill Hall building for events. It is not a registered charity. During the period Mary Hare Services Limited changed its financial year end to 31st August and draws its accounts up to this date from this year.

Arlington Laboratories Limited

During the reporting period Mary Hare sold its interest in Arlington Laboratories Limited. For the period up to the date of sale of its shareholding, Mary Hare had a 50% interest in this company. The company's investment took the form of a share capital investment of £25,000. The company manufactures and sells earmoulds as well as hearing protection equipment on a commercial basis, mainly supplying NHS Trusts, and makes up accounts to 31 December each year. The accounts reflect Mary Hare's share of the retained profit, assets and liabilities of Arlington Laboratories for the period 1 July 2020 to 21 April 2021.

The Mary Hare Foundation

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

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

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

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 (4 – 20 years of age) with moderate, severe or profound hearing loss. Pupils come from all over the UK with a small number from overseas. The school has two campuses, one in Greenham for the primary aged pupils, while the secondary pupils are based at Snelsmore Common. A new primary school is being built on the Snelsmore campus with the plan of bringing all its educational activities onto one site, with all the advantages this will bring.

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.

STRATEGIC REPORT

The period covered by the report was dominated by the Covid-19 pandemic. All pupils returned to school in September 2020 and the school was able to continue to provide education for all until the Christmas break. National attempts to limit transmission of the virus through 'bubbles' and the use of face masks were especially challenging - the former due to the fact that 90% of pupils were boarders and the latter because the wearing of masks was not appropriate for our deaf students and those communicating with them. However, we had a relatively small number of cases.

Unfortunately, 2021 began with a second lockdown. On this occasion, the primary school stayed open to all pupils but the secondary was open only to keyworker and vulnerable children. Full time online education began again and continued until early March.

Pupils returned for the second half of the school year and considerable efforts to enrich the experience of pupils with a week-long 'Cultural extravaganza' which gave them the opportunity to explore new skills such as glass-blowing, circus skills and street dance. Unlike many schools, Year 11 education continued until the end of the term which was appreciated by families.

This was a highly significant year for the Primary School project. A hugely successful fundraising campaign and the sale of the existing primary school building meant that the new build could begin, commencing on site in June. The groundbreaking ceremony was covered by local television.

The constant changing of rules and new variants adding additional risk affected all activities, from pupil recruitment, to the businesses. Significantly, the summer language school letting had to be cancelled for the second year.

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

Educational Achievements and Performance

This year saw a repeat of the cancellation of external exams, replaced by Teacher Assessed Grades. Teaching staff were faced with the difficult task of balancing the need for rigorous assessment evidence with trying to ensure that students were not overloaded. Results were submitted to the exam boards along with evidence of their validity and the rigour with which they were arrived at. Assessments were accepted without challenge.

There is a strong sense that thorough and rapid response to online learning during the first lockdown put the school in an excellent position to respond to the second lockdown, and that on the whole students suffered less disruption to their learning than reported nationally. The analysis of gaps in learning and delay in curriculum delivery showed that most exam courses had made expected progress through the syllabus. There is continued focus on identifying and filling gaps for classes and individual students through use of learning and intervention cycles supplemented by additional ICT equipment, teaching materials and tutoring acquired using Covid-19 Catch-up funding provided by the DfE.

Financial Review

During the period the Trustees resolved to change the accounting reference date from 10 July to 31 August. The financial period will now broadly align to the academic year. The financial period now reported is therefore extended by seven weeks to 31 August 2021. From a financial perspective this additional summer period is primarily expenditure, principally staff payroll and major project works carried out during the summer holidays, resulting in an increase in costs of £1,900k. This is a one-off impact relating to the change of the year end. As a consequence comparatives for this accounting period with prior years are less informative.

In June 2021 work commenced on site for the construction of the new primary school. The new school will be on the main campus at Snelsmore and brings the Board's vision of "One school, one site". The construction programme is 60 weeks with the intention of opening the new school ready for the academic year commencing in September 2022. Fundraising for the new build has been incredible and the Trustees are grateful to the Trustees of the Mary Hare Foundation and Mary Hare's own fundraising staff who have raised £3,700k towards the new school. Of this £2,070k has been transferred to Mary Hare in the financial period to 31 August 2021 and recognised in our income statement.

Furthermore, the existing primary school property Mill Hall was sold in August 2021, realising a net gain of £571k included in these financial statements. The primary school continues to operate in the property as tenants under the sale and leaseback agreement until the construction of the new primary school is complete.

An analysis of Mary Hare's results by activity is as follows:

	2020/21	2019/20	2018/19
	£000's	£000's	£000's
Mary Hare School	(370)	335	(175)
Burwood Centre	(61)	(56)	(61)
Trading Activities	54	191	238
	(377)	470	2
Joint Venture Activities	56	71	182
	(321)	541	184
Actuarial loss on DBPS	(1,250)	(4,851)	(1,565)
Exceptional item - Pension costs	(1,146)	(700)	(449)
Exceptional item - Legacies	-	-	266
Exceptional item - Net gain on sale of Mill Hall	571	-	-
Exceptional item - Fundraising	2,066	-	-
Exceptional item - Project Professional fees	-	(78)	(79)
Total	(80)	(5,088)	(1,643)

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

There was a modest rise in the pupil numbers from 216 at the beginning of the academic year in September 2020 to 220 at the end of the year. This increase together with the continued initiatives to ensure the full cost recovery of services offered, and the release of deferred fee income resulted in an increase in total fee income of £1,094k to £13,638k.

During the period the average number of employees rose by 2.8% to 287 (19/20 - 279) with full time equivalents being 239 (19/20 - 231).

Mary Hare continued in 2020/21 with its multi-year major investment programme. Projects during this accounting period included the continuation of upgrade work to the George Moore, Mansell House and Manor residential accommodations, Food Tech classrooms in the main school, investment in the IT infrastructure including computers and smartboards and a variety of works to upgrade grounds and facilities across the site.

The accounts in the period benefit again from the contribution from Mary Hare business activities and from the joint venture activities, however, these were again significantly impacted during the period by the continued effects of Covid-19. There were significant reductions in the numbers of commercial activities the school was able to provide with suspensions of events during the second lockdown and numerous cancelled or postponed bookings. The previously successful Summer English Language School for foreign students was cancelled for the second summer in a row due to the stringent UK travel restrictions placed on arrivals from overseas. The Trustees are hopeful that with the gradual lifting of restrictions, the businesses will recover to pre-pandemic levels next year.

In April 2021 Mary Hare sold its 50% interest in Arlington Laboratories Limited to its joint venture partner, Starkey Laboratories Limited. The market for its products has been impacted in recent years by technological and procurement route changes, and the directors agreed that the long-term success of the business was best served through Starkey Laboratories Limited.

Another significant impact on the overall financial result for the accounting period was the defined benefit pension scheme costs arising from the annual revaluation of Mary Hare's share in the Royal County of Berkshire Pension Scheme (RCBPS).

Mary Hare employees participate in three pension schemes:

- The Teachers' Pension defined benefit Scheme (TPS);
- The Royal County of Berkshire Pension Scheme (RCBPS) defined benefit Scheme (closed to new members from 31 December 2018) 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 net liability or surplus. As the TPS is a multi-employer defined benefits scheme, it is not possible or appropriate to segregate the assets or liabilities of TPS 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.

For the accounting period ended 31 August 2021, net pension scheme adjustments totalling £2,396k of net cost were included, a decrease of £3,155k from the prior year. The major driver was a negative £4,117k reflecting changes in the financial assumptions used and agreed with Mary Hare by the pension advisers. The discount rate is provided by our pension advisers who refer to IBoxx AA rated over 15 years Corporate bond rates. These assumptions relate to the discount rate (investment return), pension increases and salary increase assumptions and are reviewed every year for the purposes of the FRS 102 calculations. The net cost included in the accounts includes £2,381k of returns on fixed asset investments, of which £215k is interest. In addition there was £324k of positive contribution due to the demographic assumptions aligned to average life expectancy impacting the period members' pensions are expected to be paid out for.

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

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

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 a small reduction in the regular employer contribution rate, effective April 2020 and lump sum payments for the three years from 2020. These lump sum contributions were forecast in the financial strategy and reflected in the five year forecast projections.

The overall cash balance at the year end was £6,832k, an increase of £2,947k from the prior year. This was driven by operational cash flow inflows of £3,274k netted against investment cash outflows and net cash outflows in tangible fixed assets of £329k. This net outflow in tangible fixed assets reflects the sale proceeds from our Mill Hall primary school property, asset under construction costs of £2,339k and other fixed asset additions in the period of £211k.

Excluding the various FRS 102 pension adjustments and reflecting the additional costs of £1,900k relating to the extended financial period together with the business and joint venture activities, Mary Hare has returned an operating deficit of £321k. We continue to enjoy the benefit of support from the Mary Hare Foundation which further enhances our ability to offer value for money and invest in the School's future. We are grateful to the Foundation and its supporters for the success in raising substantial funds towards the new primary school project enabling us in the reported period to commence the construction with an anticipated opening in September 2022.

Plans for the Future

Peter Gale, Principal and CEO since September 2014 announced his retirement from August 2022. A thorough recruitment process led to the appointment of Robin Askew, currently Vice Principal, who will lead from September 2022.

This year, the focus will be on that transition and allowing Robin the opportunity to put structures in place as he and the Trustees wish. This will include the appointment of a Director of Care to run the residential provision.

There is also a significant target around the completion and opening of the new primary and ensuring that the opportunities are maximised and that we truly move to a 'one school' mindset.

In school, the focus is on the adoption of the Thinking Matters programme, designed to help pupils think in new ways by explicitly teaching thinking skills.

There will be continuing drive to raise further funds towards the new Primary School building and additional funds towards delivering an extensive Site Development Strategy that includes vocational facilities, Sports Hall and Refurbishment of the Secondary School buildings.

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 Mary Hare. The Trustees are satisfied that adequate systems are in place.

Mary Hare relies on the funding of pupil places by Local Authorities. There is therefore a need to be aware of the financial situation in Local Authorities and any barriers to placement families may face.

The Board is 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 significant risk with a further increase in the period. A recovery plan is in place including lump sum contributions from Mary Hare. The Board regularly reviews with its advisors measures to mitigate the long term risk of the pension scheme liability and plan a detailed review in the coming financial year.

The school has been fortunate that the direct effects of the Covid-19 pandemic have not been financially

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

significant, however, school leaders are continuing to monitor the 'pipeline' of prospective pupils closely as normal recruitment events have had to be postponed or adapted to meet circumstances. A full Covid-19 risk assessment has been carried out, flexible adaptations to the way the School operates and delivers its education and care have been implemented and regularly assessed in line with national and local guidance. A Covid Task Force has been set up and meets at least weekly to assess changes and impacts caused by the pandemic.

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 and 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 other 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 promote 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
- Commitment to the positive development of all staff and pupils

Reserves Policy

Mary Hare aims to have free reserves that equivalent to three months' running costs in line with market practice. The size of this reserve has been determined using a simple income and expenditure risk assessment. The Trustees believe that if our annual income were to be reduced suddenly in some way, for example, a big reduction in pupil numbers or a significant change in the way Local Authorities or the Education and Skills Funding Agency (ESFA) fund pupils, three months' running costs allows sufficient time to rescale operations whilst continuing to educate pupils in our care. 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 impractical to dispose of them quickly in the event of an emergency.

The policy is for these reserves to only be spent in the event of a sudden or unforeseen loss or reduction in income that threatened the viability of the organisation.

The Trustees review the level of reserves required to be held in investments, cash and cash investments annually. The CEO presents annually to the Board of Trustees with a draft document and supporting materials that enable the governing body to make an informed decision about the level of reserves which feeds into their approval of the Strategy and Annual Operating Budget.

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

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 investing in and upgrading the main central boiler house, installation of modern efficient light fittings, a programme to install new double glazing windows, and in the older boarding houses sensors and new radiator heat controls. Both the newer buildings are partly heated by solar panels and in both the newer houses, the highest levels of insulation have been incorporated. The swimming pool refurbishment included a new swimming pool cover. Additionally, the environment featured heavily in the designs for future buildings in plans approved last year by West Berkshire.

Pupils have formed an environmental group and are leading some initiatives around school to encourage awareness but also to change some behaviours.

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 the 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.

MARY HARE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021

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



.....
A J Strivens
(Chair of Trustees)
Date: 3rd March 2022

MARY HARE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARY HARE

Opinion

We have audited the financial statements of Mary Hare (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 31 August 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

MARY HARE
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

MARY HARE
(A company limited by guarantee)

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

Auditors' 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 Auditors' 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 Auditors' report.

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



Michael Farwell MA FCA DChA (Senior statutory auditor)
for and on behalf of

James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date:



MARY HARE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2021**

	Note	Restricted funds Period to 31 August 2021 £000	Unrestricted funds Period to 31 August 2021 £000	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
Income from:					
Donations and legacies	3	2,449	335	2,784	290
Charitable activities	4	-	13,638	13,638	12,544
Other trading activities	5	-	128	128	502
Investments		-	2	2	9
Other income	6	-	597	597	44
Total income		2,449	14,700	17,149	13,389
Expenditure on:					
Raising funds:					
Voluntary income		-	278	278	230
Other trading activities		-	67	67	311
Charitable activities:					
Charitable activities	7	326	14,152	14,478	12,358
Pension scheme costs		-	1,146	1,146	700
Governance		-	59	59	98
Total expenditure		326	15,702	16,028	13,697
Net income from investments in joint ventures		-	56	56	71
Net income/(expenditure)		2,123	(946)	1,177	(237)
Taxation		-	(7)	(7)	-
Transfers between funds	16	(134)	134	-	-
Net movement in funds before other recognised gains/(losses)		1,989	(819)	1,170	(237)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	23	-	(1,250)	(1,250)	(4,851)
Net movement in funds		1,989	(2,069)	(80)	(5,088)

MARY HARE
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2021**

Note	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Reconciliation of funds:				
Total funds brought forward	2,577	(1,974)	603	5,691
Net movement in funds	1,989	(2,069)	(80)	(5,088)
Total funds carried forward	4,566	(4,043)	523	603

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 £612,000 (2020: £605,000).


The notes on pages 20 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 2021

	Note	31 August 2021 £000	10 July 2020 £000
Fixed assets			
Tangible assets	12	13,056	12,846
Investments	13	68	110
		13,124	12,956
Current assets			
Stocks		49	40
Debtors	14	1,550	338
Cash at bank and in hand		6,832	3,885
		8,431	4,263
Creditors: amounts falling due within one year	15	(4,452)	(2,432)
		3,979	1,831
Net current assets			
		17,103	14,787
Total assets less current liabilities		17,103	14,787
Defined benefit pension scheme liability	23	(16,580)	(14,184)
		523	603
Total net assets			
		523	603
Charity funds			
Restricted funds	16	4,566	2,577
Unrestricted funds			
Unrestricted funds excluding pension deficit	16	12,537	12,210
Defined benefit pension scheme liability	16	(16,580)	(14,184)
		(4,043)	(1,974)
Total unrestricted funds	16	(4,043)	(1,974)
		523	603
Total funds			

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



A J Strivens
 Trustee
 Date: 3rd March 2022

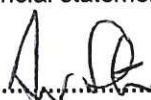
The notes on pages 20 to 48 form part of these financial statements.

MARY HARE
(A company limited by guarantee)
REGISTERED NUMBER: 3085006

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	31 August 2021 £000	10 July 2020 £000
Fixed assets			
Tangible assets	12	13,055	12,843
Investments	13	-	25
		13,055	12,868
Current assets			
Stocks		38	27
Debtors	14	1,818	568
Cash at bank and in hand		6,468	3,543
		8,324	4,138
Creditors: amounts falling due within one year	15	(4,398)	(2,388)
		3,926	1,750
Net current assets		3,926	1,750
Total assets less current liabilities		16,981	14,618
Defined benefit pension scheme liability	23	(16,580)	(14,184)
Total net assets		401	434
Charity funds			
Restricted funds	16	4,566	2,576
Restricted funds	16	4,566	2,576
Unrestricted funds			
Unrestricted funds excluding pension liability	16	12,415	12,042
Defined benefit pension scheme liability	16	(16,580)	(14,184)
Total unrestricted funds	16	(4,165)	(2,142)
Total funds		401	434

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

.....

A J Strivens

Trustee

Date: 3rd March 2022

The notes on pages 20 to 48 form part of these financial statements.

MARY HARE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2021

	Note	31 August 2021 £000	10 July 2020 £000
Cash flows from operating activities			
Net cash used in operating activities	19	3,274	1,428
Cash flows from investing activities			
Dividends, interests and rents from investments		2	9
Proceeds from the sale of tangible fixed assets		2,221	-
Purchase of tangible fixed assets		(2,550)	(247)
Net cash used in investing activities		(327)	(238)
Change in cash and cash equivalents in the period			
Cash and cash equivalents at the beginning of the period		3,885	2,695
Cash and cash equivalents at the end of the period	20	6,832	3,885

The notes on pages 20 to 48 form part of these financial statements

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

1. Accounting policies

1.1 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.

1.2 Going concern

The Trustees have considered the impact of the global Covid-19 pandemic on the ability of the charity to continue operating for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and based on this review the Trustees believe that the financial statements have been prepared appropriately on the going concern basis.

The Board of Trustees regularly review and update the organisation's five year financial plan, providing further reassurance of the financial strategy and its sustainability.

1.3 Fund accounting

The nature and purpose of each fund are explained in note 16.

1.4 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 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

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.4 Fees and similar income (continued)

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.

1.5 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.

1.6 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, Arlington Laboratories Ltd (to the date of disposal), 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.

1.7 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.

MARY HARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 Stocks

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

1.11 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.

1.12 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.

1.13 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.

1.14 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.

MARY HARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.15 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 23.

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 23.

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.

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

2. 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.

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 12)

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.

Pensions (see note 23)

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 23.

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.

3. Income from donations and legacies

	Restricted funds Period to 31 August 2021 £000	Unrestricted funds Period to 31 August 2021 £000	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
Donations from the Mary Hare Foundation	2,066	-	2,066	10
Other donations	-	90	90	(16)
Other grants	-	-	-	2
DfE grants received	383	245	628	294
	<u>2,449</u>	<u>335</u>	<u>2,784</u>	<u>290</u>
Total 2020	<u>279</u>	<u>11</u>	<u>290</u>	

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

4. Income from charitable activities

	Unrestricted funds Period to 31 August 2021 £000	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
School fees	13,341	13,341	12,121
Burwood centre for childhood deafness fees	29	29	22
Hertfordshire University / Oxford Brookes training courses	165	165	242
Outreach and consultancy income	-	-	3
Music therapy	4	4	3
Other educational income	99	99	153
	<u>13,638</u>	<u>13,638</u>	<u>12,544</u>
Total 2020	<u>12,544</u>	<u>12,544</u>	

5. Other trading activities

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

6. Other income

	Unrestricted funds Period to 31 August 2021 £000	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
Other income	26	26	44
Profit on disposal of the Mill Hall property	571	571	-
	<u>597</u>	<u>597</u>	<u>44</u>
Total 2020	<u>44</u>	<u>44</u>	

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds Period to 31 August 2021 £000	Unrestricted funds Period to 31 August 2021 £000	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
Teaching and support costs	226	9,315	9,541	8,111
Welfare	-	3,652	3,652	2,881
Premises	100	2,331	2,431	2,066
Governance costs	-	59	59	98
	<u>326</u>	<u>15,357</u>	<u>15,683</u>	<u>13,156</u>
Total 2020	<u>265</u>	<u>12,891</u>	<u>13,156</u>	

Summary by expenditure type

	Staff costs Period to 31 August 2021 £000	Depreciation Period to 31 August 2021 £000	Other costs Period to 31 August 2021 £000	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
Teaching and support costs	8,732	31	778	9,541	8,111
Welfare	3,154	-	498	3,652	2,881
Premises	394	389	1,648	2,431	2,066
Governance costs	-	-	59	59	98
	<u>12,280</u>	<u>420</u>	<u>2,983</u>	<u>15,683</u>	<u>13,156</u>
Total 2020	<u>10,142</u>	<u>425</u>	<u>2,589</u>	<u>13,156</u>	

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities

	Activities undertaken directly Period to 31 August 2021 £000	Support costs Period to 31 August 2021 £000	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
Teaching and support costs	8,146	1,395	9,541	8,111
Welfare	3,652	-	3,652	2,881
Premises	2,431	-	2,431	2,066
Governance costs	-	59	59	98
	<u>14,229</u>	<u>1,454</u>	<u>15,683</u>	<u>13,156</u>
Total 2020	<u>11,800</u>	<u>1,356</u>	<u>13,156</u>	

Analysis of support costs

	Total funds Period to 31 August 2021 £000	Total funds Year to 10 July 2020 £000
Staff costs	949	818
Depreciation	10	10
Other costs	436	430
Governance costs	59	98
	<u>1,454</u>	<u>1,356</u>

9. Auditors' remuneration

	Period to 31 August 2021 £000	Year to 10 July 2020 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	20	14
Fees payable to the company's auditor in respect of: All non-audit services not included above	<u>11</u>	<u>11</u>

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

10. Staff costs

	Group Period to 31 August 2021 £000	Group Year to 10 July 2020 £000	Company Period to 31 August 2021 £000	Company Year to 10 July 2020 £000
Wages and salaries	8,739	7,653	8,719	7,591
Social security costs	790	677	790	677
Other pension costs	3,028	2,088	3,028	2,088
	<u>12,557</u>	<u>10,418</u>	<u>12,537</u>	<u>10,356</u>

Included within other pension costs are costs of £1,146,000 (2020: £700,000) relating to the Royal County of Berkshire Pension Scheme. Of this amount, costs of £902,000 (2020: £507,000) represent the service cost less employer contributions during the period and costs of £244,000 (2020: £193,000) represents the net return on assets as shown in note 23.

The cost of contributions to the People's Pension defined contribution pension scheme for the period was £121,000 (2020: £29,000).

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

	Group 2021 No.	Group 2020 No.
Teaching staff	66	66
Care staff	67	65
Teaching support	64	61
Management and administration	34	31
Catering, cleaning and maintenance	46	47
Burwood centre for childhood deafness	3	3
Arlington Arts Centre	7	6
	<u>287</u>	<u>279</u>

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

10. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.
Teaching staff	62	60
Care staff	52	49
Teaching support	51	50
Management and administration	28	27
Catering, cleaning and maintenance	39	39
Burwood centre for childhood deafness	1	1
Arlington Arts Centre	6	5
	<u>239</u>	<u>231</u>

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

	Group Year to 10 July 2021 No.	Group Period to 31 August 2021 No.	Group Year to 10 July 2020 No.
In the band £60,001 - £70,000	5	14	2
In the band £70,001 - £80,000	1	3	1
In the band £80,001 - £90,000	-	1	2
In the band £90,001 - £100,000	4	-	-
In the band £100,001 - £110,000	-	4	-
In the band £110,001 - £120,000	-	-	1
In the band £130,001 - £140,000	1	-	-
In the band £150,001 - £160,000	-	1	-

Due to the extended period, the table above shows all employees whose benefits (excluding employer pension costs) over the 14 month period exceeded £60,000.

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 £55 (2020: £1,145) in respect of one trustee (2020: four trustees). All other trustees incurred expenses without reimbursement.

The twenty-three (2020: six) employees receiving a salary above £60,000 this period 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 extended period amounted to £379,000. The contributions in the year to 10 July 2021 amounted to £185,000 (2020: £105,000).

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 extended period were £767,000. The total for the year to 10 July 2021 was £678,000 (2020: £642,000).

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

11. 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 deficit of the parent company was £33,000 (2020: £4,894,000).

12. 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 11 July 2020	13,532	2,764	204	-	16,500
Additions	18	187	6	2,339	2,550
Disposals	(2,100)	-	-	-	(2,100)
At 31 August 2021	11,450	2,951	210	2,339	16,950
Depreciation					
At 11 July 2020	1,124	2,363	167	-	3,654
Charge for the period	195	203	22	-	420
On disposals	(180)	-	-	-	(180)
At 31 August 2021	1,139	2,566	189	-	3,894
Net book value					
At 31 August 2021	10,311	385	21	2,339	13,056
At 10 July 2020	12,408	401	37	-	12,846

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

12. 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 11 July 2020	13,532	2,726	204	-	16,462
Additions	18	189	6	2,339	2,552
Disposals	(2,100)	-	-	-	(2,100)
At 31 August 2021	<u>11,450</u>	<u>2,915</u>	<u>210</u>	<u>2,339</u>	<u>16,914</u>
Depreciation					
At 11 July 2020	1,124	2,328	167	-	3,619
Charge for the period	195	203	22	-	420
On disposals	(180)	-	-	-	(180)
At 31 August 2021	<u>1,139</u>	<u>2,531</u>	<u>189</u>	<u>-</u>	<u>3,859</u>
Net book value					
At 31 August 2021	<u><u>10,311</u></u>	<u><u>384</u></u>	<u><u>21</u></u>	<u><u>2,339</u></u>	<u><u>13,055</u></u>
At 10 July 2020	<u><u>12,408</u></u>	<u><u>398</u></u>	<u><u>37</u></u>	<u><u>-</u></u>	<u><u>12,843</u></u>

For both the group and the company, included in freehold property is freehold land at valuation of £3,600,000 (2020: £4,200,000) which is not depreciated.

Cost or valuation at 31 August 2021 is as follows:

	Group 31 August £000	Company 31 August £000
At cost	11,334	11,334
At valuation: 2014	116	116
	<u><u>11,450</u></u>	<u><u>11,450</u></u>

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

12. Tangible fixed assets (continued)

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 provisions of the Charities SORP (FRS 102) and the valuation of freehold property has not been updated since the last valuation in 2014.

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 2021 £000	Group 10 July 2020 £000	Company 31 August 2021 £000	Company 10 July 2020 £000
Cost	11,334	13,416	11,334	13,416
Accumulated depreciation	(4,585)	(4,527)	(4,585)	(4,527)
	<u>6,749</u>	<u>8,889</u>	<u>6,749</u>	<u>8,889</u>

13. Fixed asset investments

Group	Investment in joint ventures £000
Cost or valuation	
At 11 July 2020	110
Movement	(42)
At 31 August 2021	<u>68</u>
Net book value	
At 31 August 2021	<u>68</u>
At 10 July 2020	<u>110</u>

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

13. Fixed asset investments (continued)

Company

	Investment in joint ventures £000
At 11 July 2020	25
Disposals	(25)
At 31 August 2021	-
 Net book value	
At 31 August 2021	-
At 10 July 2020	25

The company's subsidiary company investment comprises a 100% investment 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.

	Period to 31 August 2021 £000	Year to 10 July 2020 £000
Income	140	505
Expenditure	(66)	(397)
Profit for the period / year	74	108
	31 August 2021 £000	10 July 2020 £000
Net assets	137	171
	137	171

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

The group's joint venture company investments comprise:

- The company's 50% equity investment in Arlington Laboratories Limited, a company incorporated in England and Wales. This investment was sold during the period.
- The subsidiary's investment in the Hearing aid 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 2021 £000	10 July 2020 £000
Share of gross assets	169	298
Share of gross liabilities	(101)	(188)
	68	110
	68	110

14. Debtors

	Group 31 August 2021 £000	Group 10 July 2020 £000	Company 31 August 2021 £000	Company 10 July 2020 £000
Trade debtors	1,080	92	1,073	89
Amounts owed by group undertakings	-	-	275	221
Other debtors	351	113	352	127
Prepayments and accrued income	119	133	118	131
	1,550	338	1,818	568
	1,550	338	1,818	568

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

15. Creditors: Amounts falling due within one year

	Group 31 August 2021 £000	Group 10 July 2020 £000	Company 31 August 2021 £000	Company 10 July 2020 £000
Trade creditors	1,084	222	1,078	218
Other taxation and social security	353	263	351	263
Other creditors	561	718	564	719
Deferred income	2,454	1,229	2,405	1,188
	<u>4,452</u>	<u>2,432</u>	<u>4,398</u>	<u>2,388</u>
	<u>4,452</u>	<u>2,432</u>	<u>4,398</u>	<u>2,388</u>
	Group 31 August 2021 £000	Group 10 July 2020 £000	Company 31 August 2021 £000	Company 10 July 2020 £000
Deferred income at 11 July 2020	1,229	1,152	1,188	804
Resources deferred during the period	(1,229)	(1,152)	(1,188)	(804)
Amounts released from previous periods	2,454	1,229	2,405	1,188
	<u>2,454</u>	<u>1,229</u>	<u>2,405</u>	<u>1,188</u>
	<u>2,454</u>	<u>1,229</u>	<u>2,405</u>	<u>1,188</u>

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

16. Statement of funds

Statement of funds - current period

	Balance at 11 July 2020 £000	Income £000	Expenditure £000	Taxation £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds							
Designated funds							
Arts and design centre	182	-	-	-	(7)	-	175
Sixth form centre fund	718	-	-	-	(32)	-	686
Property grants fund	569	-	-	-	(26)	-	543
Arlington Arts Centre	1,469	-	-	-	(44)	-	1,425
New primary school	140	-	-	-	-	-	140
School renovations	49	-	-	-	-	-	49
	<u>3,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109)</u>	<u>-</u>	<u>3,018</u>
General funds							
Reserves	6,023	14,700	(14,556)	(7)	1,832	56	8,048
Revaluation reserve	3,060	-	-	-	(1,589)	-	1,471
Pension reserve	(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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

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

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

Statement of funds - prior period

	Balance at 11 July 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 10 July 2020 £000
Unrestricted funds						
Designated funds						
Arts and design centre	188	-	-	(6)	-	182
Sixth form centre fund	746	-	-	(28)	-	718
Property grants fund	592	-	-	(23)	-	569
Arlington Arts Centre	1,507	-	-	(38)	-	1,469
New primary school	-	-	-	140	-	140
School renovations	49	-	-	-	-	49
Greenham Common Fund	-	3	(3)	-	-	-
Sundry donations	-	1	(1)	-	-	-
	<u>3,082</u>	<u>4</u>	<u>(4)</u>	<u>45</u>	<u>-</u>	<u>3,127</u>
General funds						
Reserves	5,521	13,106	(12,728)	53	71	6,023
Revaluation reserve	3,060	-	-	-	-	3,060
Pension reserve	(8,633)	-	(1,222)	-	(4,329)	(14,184)
	<u>(52)</u>	<u>13,106</u>	<u>(13,950)</u>	<u>53</u>	<u>(4,258)</u>	<u>(5,101)</u>
Total Unrestricted funds	<u>3,030</u>	<u>13,110</u>	<u>(13,954)</u>	<u>98</u>	<u>(4,258)</u>	<u>(1,974)</u>

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

	Balance at 11 July 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 10 July 2020 £000
Restricted funds						
Burwood centre for childhood deafness	16	-	-	(6)	-	10
Arlington Arts Centre - car park - The Big Lottery Fund	24	-	-	(4)	-	20
- Nordoff Robbins	153	-	-	(5)	-	148
Swimming Pool	100	-	-	(2)	-	98
Devolved formula capital	400	-	-	(7)	-	393
Teachers pay grant	72	96	(96)	-	-	72
Teachers pensions grant	7	24	-	(31)	-	-
Murray House	-	169	(169)	-	-	-
Howard House II	1,694	-	-	(39)	-	1,655
Other amounts	164	-	-	(4)	-	160
	31	(10)	-	-	-	21
	<u>2,661</u>	<u>279</u>	<u>(265)</u>	<u>(98)</u>	<u>-</u>	<u>2,577</u>
Total of funds	<u>5,691</u>	<u>13,389</u>	<u>(14,219)</u>	<u>-</u>	<u>(4,258)</u>	<u>603</u>

Arts and design centre

This represents donations received towards the arts and design centre. The fund is classified as a designated fund within unrestricted funds.

Sixth form centre fund

This represents donations received towards the sixth form centre. The fund is classified as a designated fund within unrestricted funds.

Property grants fund

Mary Hare has received various grants towards property expenditure. The fund is classified as a designated fund within unrestricted funds.

MARY HARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

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
FOR THE PERIOD ENDED 31 AUGUST 2021**

17. Summary of funds

Summary of funds - current period

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

Summary of funds - prior period

	Balance at 11 July 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 10 July 2020 £000
Designated funds	3,082	4	(4)	45	-	3,127
General funds	(52)	13,106	(13,950)	53	(4,258)	(5,101)
Restricted funds	2,661	279	(265)	(98)	-	2,577
	<u>5,691</u>	<u>13,389</u>	<u>(14,219)</u>	<u>-</u>	<u>(4,258)</u>	<u>603</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 31 August 2021 £000	Unrestricted funds 31 August 2021 £000	Total funds 31 August 2021 £000
Tangible fixed assets	4,473	8,583	13,056
Fixed asset investments	-	68	68
Current assets	1,292	7,188	8,480
Creditors due within one year	(1,199)	(3,302)	(4,501)
Provisions for liabilities and charges	-	(16,580)	(16,580)
Total	<u>4,566</u>	<u>(4,043)</u>	<u>523</u>

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 10 July 2020 £000	Unrestricted funds 10 July 2020 £000	Total funds 10 July 2020 £000
Tangible fixed assets	2,486	10,360	12,846
Fixed asset investments	-	110	110
Current assets	91	4,172	4,263
Creditors due within one year	-	(2,432)	(2,432)
Provisions for liabilities and charges	-	(14,184)	(14,184)
Total	2,577	(1,974)	603

Group and charity restricted funds

	Tangible fixed assets 2021 £000	Other assets (liabilities) 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Restricted funds				
Burwood centre for childhood deafness	2	-	2	10
Arlington Arts Centre car park	18	-	18	20
Arlington Arts Centre other costs	238	-	238	246
	258	-	258	276
DfE grants				
Devolved Formula Capital	-	72	72	72
	-	72	72	72
Other funds				
Murray House	1,610	-	1,610	1,655
Howard House II	156	-	156	160
Swimming Pool	383	-	383	393
New primary school	2,066	-	2,066	-
Other amounts	-	21	21	21
	4,473	93	4,566	2,577

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

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

	Group 31 August 2021 £000	Group 10 July 2020 £000
Net income/expenditure for the period (as per Statement of Financial Activities)	1,170	(237)
Adjustments for:		
Depreciation charges	420	425
Profit on the sale of fixed assets	(571)	(16)
Decrease/(increase) in stocks	(9)	7
Decrease/(increase) in debtors	(942)	442
Increase/(decrease) in creditors	2,020	(60)
Investment income	(2)	(9)
Pension scheme costs	1,146	700
Movement on joint venture investments	42	176
Net cash provided by operating activities	3,274	1,428

20. Analysis of cash and cash equivalents

	Group 31 August 2021 £000	Group 10 July 2020 £000
Cash in hand	6,832	3,885
Total cash and cash equivalents	6,832	3,885

21. Analysis of changes in net debt

	At 11 July 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	3,885	2,947	6,832
Bank overdrafts repayable on demand	-	-	-
	3,885	2,947	6,832

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

22. Capital commitments

	Group 31 August 2021 £000	Group 10 July 2020 £000	Company 31 August 2021 £000	Company 10 July 2020 £000
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	5,946	-	5,946	-
Repairs, maintenance or enhancements to investment property	-	140	-	140
	<u>5,946</u>	<u>140</u>	<u>5,946</u>	<u>140</u>

23. 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 2021 the cost of pension contributions was £1,638,000 (year to 10 July 2020: £1,336,000) including £823,000 (year to 10 July 2020: £623,000) to the TPS and £815,000 (year to 10 July 2020: £713,000) 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 Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

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):

	At 31 August 2021 %	At 10 July 2020 %
Discount rate	1.65	1.55
Future salary increases	1.75	2.75
Future pension increases	2.85	2.00

	At 31 August 2021 Years	At 10 July 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.3	21.5
- at 65 for a male aged 45 now	22.6	22.9
- for a female aged 65 now	24.0	24.1
- at 65 for a female aged 45 now	25.4	25.5

The group's share of the assets in the scheme was:

	At 31 August 2021 £000	At 10 July 2020 £000
Equities	9,097	6,870
Other bonds	2,655	1,542
Property	1,756	1,671
Cash and other liquid assets	307	1,116
Target return portfolio	649	360
Longevity insurance	(839)	(700)
Commodities	-	44
Infrastructure	1,277	862
Total fair value of assets	14,902	11,765

MARY HARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

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

	31 August 2021 £000	10 July 2020 £000
Current service cost	1,745	1,351
Net interest on the defined liability	244	193
Administrative expenses	13	11
Total amount recognised in the Consolidated statement of financial activities	2,002	1,555

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.

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

	31 August 2021 £000
Opening defined benefit obligation	25,949
Contributions by scheme participants	233
Actuarial losses	3,416
Benefits paid	(320)
Current service cost	1,745
Interest cost	459
Closing defined benefit obligation	31,482

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

	31 August 2021 £000
Opening fair value of scheme assets	11,765
Interest income	215
Actuarial gains	2,166
Contributions by employer	856
Contributions by scheme participants	233
Benefits paid	(320)
Administration expenses	(13)
Closing fair value of scheme assets	14,902

MARY HARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

24. 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 2021 were £627,000 (31 July 2020: £1,403,000). Total funds raised in the period to 31 August 2021 were £1,350,000 (year to 31 July 2020: £695,000). Mary Hare bears the administration costs of the Foundation. In the period to 31 August 2021 total costs were £111,000 (year to 10 July 2020: £85,000). Further details of the Foundation can be obtained from Arlington Manor, Snelsmore Common, Newbury.

During the period the Foundation has donated funds of £2,066,000 (year to 10 July 2020: £10,000) to Mary Hare.

25. Arlington Laboratories Limited

For the period up to the date of sale of its shareholding Mary Hare had a 50% interest in this company. The investment took the form of issued share capital of £25,000. The company manufactures and sells earmoulds on a commercial basis, mainly supplying NHS Trusts.

Arlington Laboratories Limited was incorporated on 5 February 1997. It prepares accounts to 31 December. The information provided in respect of Mary Hare's share of retained profit, assets and liabilities is drawn from the statutory accounts for the year ended 31 December 2020 and management accounts for the period 1 January 2021 to 31 August 2021.

During the period Mary Hare received £18,000 rent (year to 10 July 2020: £27,000), £nil (year to 10 July 2020: £15,000) as a management charge and a Gift aid donation of £nil (year to 10 July 2020: £50,000) from Arlington Laboratories Limited.

MARY HARE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

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 two parties. Therefore, in accordance with relevant accounting standards all have been treated as 50% joint ventures of Mary Hare Services Ltd.

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 2020 the company reported a profit of £11,000 (2019: £9,000) and as at 31 December 2020 had net assets of £49,000 (2019: £48,000).

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 Centres LLP, and is dormant, with net liabilities of £45,000 (2019: £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 2020 the LLP reported a profit of £129,000 (2019: £89,000) and as at 31 December 2020 had net assets of £131,000 (2019: £323,000). Mary Hare Services Ltd has an interest in Mary Hare Hearing Centres LLP by way of a loan. As at 31 August 2021 the loan was £60,000 (10 July 2020: £45,000 net of a £76,000 provision).