

**ST. MARY'S SCHOOL, HAMPSTEAD**  
**(A Company Limited by Guarantee)**

**Annual report and financial statements**

**For the year ended**

**31 August 2021**

**Company No: 2643515**  
**Charity registered in England No: 1006411**

## ST. MARY'S SCHOOL, HAMPSTEAD

### Trustees' Report

#### Year ended 31 August 2021

The Trustees have prepared their annual report for the year ended 31 August 2021 in accordance with the Companies Act 2006, the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS102).

#### REFERENCE AND ADMINISTRATIVE INFORMATION

St Mary's School, Hampstead is incorporated as a company limited by guarantee, number 2643515 and is a registered charity, number 1006411.

St Mary's School, Hampstead was established under a Memorandum of Association dated 10 June 1991 that established its objects and powers.

The School's registered office and principal address is 47 Fitzjohn's Avenue, London, NW3 6PG.

St Mary's School, Hampstead has a two tier structure of governance: The Trustees and the Governors. Their respective roles are explained in the section on Structure, Governance and Management on page 3.

#### TRUSTEES

The Trustees, who are the directors of the company, who served during the year and up to the date of this report, were as follows:

Ms C Barry-Walsh (appointed 28 September 2020) (Chairman from 2 December 2020)

Mr D H Rands (retired 2 December 2020) (Chairman to 2 December 2020)

Mr K K Wilkins (Treasurer)

Mr R M Carlisle

Mrs Annabel Dumbell

Mrs S McCarron

Mr K A Murphy

Mr S Murphy

Mrs V Sherwood

Trustees are elected by the members of the company. One third of Trustees retire by rotation at each Annual General Meeting (AGM) and are eligible for re-election. The Trustees who retire each year are those who have been longest in office since their last election. The Trustees who retired by rotation and were re-elected at the AGM held on 24 March 2021, were Mr K Wilkins, Mr K Murphy and Mrs V Sherwood. In addition, Mrs A Dumbell and Ms C Barry-Walsh, who were appointed during the financial year were re-appointed in accordance with the requirements of the company's constitution at the AGM.

#### COMPANY SECRETARY

Mrs S Gibbins

## ST. MARY'S SCHOOL, HAMPSTEAD

### Trustees' Report (continued)

Year ended 31 August 2021

#### GOVERNORS

The Governors who served during the year and up to the date of this report, were as follows were as follows:-

Mr S Murphy <sup>1 2 3</sup>	(Chairman)
Mr K K Wilkins <sup>1</sup>	(Ex-Officio)
Mr D H Rands	(Ex-Officio until 2 December 2020)
Ms C Barry-Walsh	(Ex-Officio from 2 December 2020)
Mr R M Carlisle <sup>3</sup>	
Mrs A Gethin	(Retired 31 July 2021)
Mrs A Granger <sup>3</sup>	
Dr D Harris <sup>2</sup>	
Sr P Harriss	
Mrs S McCarron	
Mr M O'Reilly <sup>3</sup>	(Retired 23 June 2021)
Ms L Rands <sup>3</sup>	(Appointed 23 March 2021)

<sup>1</sup> Member of the Finance and General Purposes Committee

<sup>2</sup> Member of the Health and Safety Committee

<sup>3</sup> Member of the Education and Staffing Committee

The following Trustees were also members of the above committees:

Mr K A Murphy<sup>1</sup>  
Mrs V Sherwood<sup>2</sup>

The Trustees record their gratitude to the Board of Governors, and to Mrs Connor-Earl and her staff for their contribution to the continued success of the School.

#### SENIOR LEADERSHIP TEAM AND PROFESSIONAL ADVISORS

Headmistress	Mrs H Connor-Earl
Bursar	Mrs Sara Gibbins
Deputy Head	Miss Philippa D'Aquino
Director of Studies	Mr Martin Otter
Independent Auditor	MHA MacIntyre Hudson 6 <sup>th</sup> Floor 2 London Wall Place London EC2Y 5AU
Bankers	Barclays Bank PLC 28 Hampstead High Street London NW3 1QB

## ST. MARY'S SCHOOL, HAMPSTEAD

### Trustees' Report (continued)

Year ended 31 August 2021

Solicitors  
Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### **Governing Document**

The School is governed by the Memorandum of Association which was amended on 8 October 1991, 23 April 1993, 14 June 1993, 26 April 2006 and 18 March 2020 and its Articles of Association which were amended on 8 October 1991, 20 April 2005 and 23 March 2021. The Governors serve under Regulations as revised on 23 March 2021. The School's mission statement is dated September 2011.

##### **Trustees and Governors**

The Trustees are responsible for maintaining the objects of the charity, its administration and finances, risk assessment and overall strategy, as well as ensuring that the School complies with company and charity law and regulations. The Trustees appoint the Headmistress. The Trustees have overall responsibility for the School and exercise the oversight of some of the School's educational activities together with the Governors.

The Governors are responsible for the general direction, policies and priorities of the School within the budgets and objectives established by the Trustees. They offer support and guidance to the Headmistress, and also hold the School to account for the quality of education it provides and the standards it achieves. The Governors and Trustees ensure the safety of the School environment and review the effectiveness of the School's child protection policies. Five of the Governors are also Trustees.

##### **Recruitment, Appointment, Induction and Training of Trustees and Governors**

The Trustees are responsible for the selection and appointment of new Trustees and Governors. This is a legal responsibility that cannot be delegated, although the Nominations Committee, comprising the Headmistress and Chair of Governors will, after discussion and research, put forward recommendations for new Trustees and Governors to the Trustees. As charity trustees, the Trustees are aware of the importance of identifying the appropriate mixture of skills and experience that they and their successors need to manage the multi-faceted affairs of a modern school which is also a company limited by guarantee, a medium sized business and an important local employer. Each appointment of a Governor or Trustee made by the Trustees is for an initial period of three years, which may be renewed.

To facilitate communication, induction and training at Governor and Trustee level, the Governors' Handbook is regularly updated. The main information section includes the Memorandum of Association, Articles of Association, Mission Statement, Trustees' strategic direction for the period 2019-2022, School Operational Targets, Board of Governor Regulations, Governor appointment procedures, training opportunities and training undertaken by both Trustees and Governors over the previous five-year period along with a Code of Conduct.

Roles and responsibilities are covered with main job descriptions and responsibilities including those of the Chair of Trustees, Treasurer, Chair of Governors, Safeguarding Governor, Governors, Headmistress, Deputy Head, Bursar, Senior Leadership Team (SLT) and Senior Management Team (SMT). Terms of Reference are included

## ST. MARY'S SCHOOL, HAMPSTEAD

### Trustees' Report (continued)

Year ended 31 August 2021

for all committees, along with membership lists and the key policies and documents.

All Trustees and Governors are encouraged to attend in-house and external training courses, including those run by the Association of Governing Bodies of Independent Schools (AGBIS). Numerous on-line training courses are also undertaken by the Trustees and Governors.

A list of school policies is available on the School's website. To ensure full compliance with Safeguarding issues the Headmistress, Bursar and five Trustees have completed Safer Recruitment Training. There is also a named Governor with lead responsibility for all Safeguarding matters to ensure that the School is fully compliant with all current regulations.

Trustees make available to parents on the School's website a clear and succinct set of replies to questions that parents often ask about governance. The information covering Frequently Asked Questions is provided to enhance communication between Trustees and the parent body and to encourage them to share in the School's vision for the future.

#### **Third Party Indemnity Provision for Trustees**

Qualifying third party indemnity insurance is in place covering the Trustees of the School.

#### **Organisational Management**

The Trustees meet as a Board at least three times a year to determine the general strategy of the Charity and review its overall management and control, for which they are legally responsible. Trustees and Governors convene with a separate session for Trustees only. The Trustees and Governors also attend the Annual General Meeting.

There are three sub-committees of the Board of Governors as follows:

1. Education and Staffing Committee - meet once each half term and whose members consider educational and staffing issues. This committee is chaired by Mr Robert Carlyle.
2. Finance and General Purposes Committee - meet before each main Board meeting. The committee scrutinises revenues & expenditures, the budget & reforecasts and capital expenditure. This committee is chaired by Mr Keith Wilkins (who is also the Treasurer (the Trustee with responsibility for the supervision of the finances of the School)).
3. Health and Safety Committee - meet termly to consider all Health and Safety matters. This committee is chaired by Dr David Harris.

The Key Management Personnel are the Trustees, Governors and the Senior Leadership Team. Day to day management of the School is delegated by the Governors to the Senior Leadership Team as defined on page 2, led by the Headmistress.

#### **Remuneration of Key Management Personnel**

Trustees and Governors do not receive any remuneration for their services. The remuneration of the Headmistress and Bursar is set by the Trustees, with the policy objective of ensuring that they are provided with appropriate

## ST. MARY'S SCHOOL, HAMPSTEAD

### Trustees' Report (continued)

Year ended 31 August 2021

compensation to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the School's success. The remuneration of the rest of the Senior Leadership Team is determined by the Headmistress within the parameters set by the Trustees and Governors. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the sector wide issues of pay and employment conditions. Delivery of the School's charitable vision and purpose is primarily dependent on the Senior Leadership Team.

### Relationships

The School is an active member of the following organisations:

- Independent Association of Preparatory Schools (IAPS) for the promotion and maintenance of preparatory schools generally
- The Independent Schools Association (ISA)
- Catholic Independent Schools Congregation (CISC)
- Independent Schools Council (ISC)
- Independent Schools' Bursars Association (ISBA)
- Association of Governing Bodies of Independent Schools (AGBIS)

The School co-operates with and supports as many charities as possible in its ongoing endeavours to widen public access to the schooling it provides and to awaken in its pupils an awareness of the wider social context of the education they receive at the School.

### OBJECTIVES AND ACTIVITIES

The objects are set out in the Memorandum of Association as the promotion and provision of the advancement of Roman Catholic education and the Roman Catholic religion. The School's policy is to enable each child to develop their full potential both academically and socially in accordance with the School's Mission Statement and to prepare them for the senior schools of their choice.

With effect from 1 September 2020, the School was registered as a single sex (all-girls) school. The School intends to become entirely single sex from September 2022.

In furthering the charity's objects, the Trustees have complied with the duty in Section 175(5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission concerning the operation of the Public Benefit Requirement under that Act.

When exercising their powers and duties and in particular when setting fees charged by the school and when identifying the benefits provided by the School in relation to its aims, the Trustees seek to achieve a fair balance between benefits provided and the need for the School to maintain a prudent financial position. Bursary funds are limited and those applicants judged most suitable in accordance with the School's Admissions Policy are given priority. The Trustees ensure that beneficiaries are not unreasonably restricted by way of geographical or other restrictions or ability to pay fees such that people with limited financial resources are not excluded from the opportunity to benefit.

Further information about the public benefits provided by the School is set out in the Strategic Report.

## ST. MARY'S SCHOOL, HAMPSTEAD

### Trustees' Report (continued)

Year ended 31 August 2021

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of St Mary's School, Hampstead for the purposes of company law, are responsible for preparing the Trustees' Report, the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, 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 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the School's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### AUDITOR

MHA MacIntyre Hudson act as auditors under section 485 of the Companies Act 2006. MHA MacIntyre Hudson has indicated its willingness to continue in office.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Trustees (who are also company directors) who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that:

- there is no relevant audit information which has not been disclosed to the auditor; and
- each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**ST. MARY'S SCHOOL, HAMPSTEAD**

**Trustees' Report (continued)**

**Year ended 31 August 2021**

The Trustees' Report was approved by order of the Trustees and signed on their behalf by

A handwritten signature in black ink that reads "Carroll Barry-Walsh". The signature is written in a cursive style with a long, sweeping underline at the end.

C Barry-Walsh  
Chairman  
30 November 2021

# ST. MARY'S SCHOOL, HAMPSTEAD

## Strategic Report

### Year ended 31 August 2021

The School has chosen, in accordance with Companies Act 2006, S414c(ii), to set out in the School's Strategic Report, information required by Large and Medium sized companies and groups and The Charities (Accounts and Reports) Regulations 2008, (SI2008/629), to be contained in the Directors' Report. It has done so in respect of future developments.

The Trustees have prepared the following strategic report of St Mary's School, Hampstead for the year ended 31 August 2021 in accordance with the Companies Act 2006.

#### AIM, ACHIEVEMENTS AND PERFORMANCE

St Mary's School, Hampstead aims to provide an education firmly founded on Christ and the Catholic Faith. The achievement of this aim enables the School to fulfil its legal purposes of promoting and providing for the advancement of Roman Catholic education and the Roman Catholic religion.

The School has continued to provide a Catholic preparatory education for girls aged 2 <sup>3</sup>/<sub>4</sub> to 11 and boys aged 2 <sup>3</sup>/<sub>4</sub> to 4. The pupil numbers for the year averaged 247, 53% Catholic (2020: 294, 53% Catholic). With effect from 1 September 2020, the School was re-registered as a single sex (all-girls) school. The admission of boys is being phased out to enable the School to become entirely single sex from September 2022.

During the year bursaries of £247,591 (2020: £220,401) were awarded to 18 pupils (2020: 19 pupils) in line with the School's policy on financial support. This includes five existing pupils receiving emergency bursaries as a result of financial hardship due to the extenuating circumstances arising from the Coronavirus pandemic. Bursaries and hardship payments are awarded based on financial means testing. The amount awarded to any pupil may vary depending on individual family circumstances and can cover up to 100% of the school fees plus other costs connected to attendance. These awards are normally reviewed annually, although the emergency bursaries relating to the Coronavirus pandemic are being reviewed termly. Prospective parents are made aware of the Bursary policy through a variety of ways, including a prominent position on the School's website. As of the Autumn Term 2021, 13 pupils are benefiting from bursaries, including three receiving emergency bursaries due to the Coronavirus pandemic.

In setting the fees, the Trustees have had regard to the level of fees that are appropriate for the educational services provided and the ability of parents to be able to pay them. The Trustees have set the fee levels with the intent for the School to produce a surplus which can be employed in providing bursaries to those who could not afford to pay the fees and to fund the use of the School's facilities, resources and staff to provide for the advancement of the objectives and aims of the School and to provide public benefit by other means to members of the wider community.

During the Spring Term 2021, the School was required to close its physical facilities, to all but vulnerable children and children of critical workers, to abide by Coronavirus Government-imposed restrictions. This initially entailed replacing in-school learning with a high-quality Distance Learning environment encompassing classes, assemblies and one-to-one teaching. Once the School was allowed to reopen for in-person learning, high-quality Distance Learning was also provided to all children unable to attend the building physically due to the personal impact of Coronavirus and the associated restrictions on themselves and household members.

## **ST. MARY'S SCHOOL, HAMPSTEAD**

### **Strategic report (continued)**

#### **Year ended 31 August 2021**

The Trustees have continued to review the School's activities including revenue and financial, human and physical resources as part of their duties to monitor and ensure that the School's charitable objects and the public benefit are achieved most effectively.

Community activities in the year to 31 August 2021 continued to the benefit of both local and international communities despite the restrictions imposed by the pandemic.

The School has assisted current potential members of the Roman Catholic Church through preparing 8 children to make their First Confession (2020: 16) and 19 (2020: 13 – deferred into 2021) children to receive their First Holy Communion in the School Chapel. This included 13 children's First Holy Communion which had been scheduled for May 2020 but was delayed until September 2020 due to the pandemic. The School holds weekly Masses for parents, staff and children. There is an Act of Collective Worship everyday which links to the Sunday Gospel reading. The children take part in a service or a Mass each week as well as Hymn Practice. The school has an active prayer council consisting of Year 6 children who promote the Catholic faith to younger members of the school. As a result of the pandemic, all the School's religious services were re-modelled in line with Government guidance and the School's risk assessment, and were celebrated by the school community through a combination of virtual and in-person attendance.

Due to the pandemic, no external visitors came into the School but the School continued to provide support and resources to our staff and staff from other schools including running an on-line training session with the focus on the revised EYFS Statutory Framework in place from September 2021.

During the year the School supported the education of three pupils with Education and Healthcare Plans (2020: three pupils), including a pupil who had been supported to successfully obtain an Education and Healthcare Plan at the end of the previous academic year.

The School encourages charitable activities throughout the year with various fundraising activities. During the course of the year £13,220 (2020: £13,380) was raised through fundraising activities within the School, including by the PTA, for a number of third party charities and appeals. These included War Child, The Rainbow Trust, CAFOD, Jeans 4 Genes, Children in Need, Royal British Legion, Age UK and Sea Shepherd. The May Ball which had been planned by the PTA to take place in May 2020 and which was delayed due to the pandemic was further delayed due to the ongoing Coronavirus restrictions. A decision was taken during the year to refund ticket money and to start afresh once a new date is able to be arranged with confidence. Ticket money of £4,440 was refunded and £200 was donated to the School charities. In addition, the School undertook a number of charitable collections of food, clothes and shoes. These funds raised for other charities are not accounted for as school funds.

Management of the school facilities is overseen by the Bursar and Premises Manager and is monitored by the Health and Safety Committee which continues to ensure full compliance with all legislative requirements as well as incorporating rolling repairs with a programme to upgrade facilities on a carefully structured basis. During the year, the improvement work on the School's hot water system was continued, including installing new pipework through much of the original building. This work, which has been undertaken over a two-year period has hugely increased the School's hot water capacity and circulation so as to better meet the current and future needs of the School.

The Bursar, Premises Manager and Network Manager also oversaw further development works including improvements to the IT infrastructure to better meet the immediate needs of Distance Learning and to provide for a flexible approach for the future.

## **ST. MARY'S SCHOOL, HAMPSTEAD**

### **Strategic Report (continued)**

**Year ended 31 August 2021**

The School continues to develop its religious and pastoral life with the ongoing service and dedication of the Chaplain, Father Chris Connor, in conjunction with the Religious Education Leaders of Learning and the support of all staff. The Catholic life of the School and the Catholic education it delivers were both found to be outstanding in the School's Inspection by the Diocese of Westminster in June 2019.

Pupils at the School continued to perform at a national level well in excess of the standard expectation for their age groups. The Senior School Entrance Examination results show that the School continues to secure places for their pupils at a wide range of leading London day schools and out-of-London boarding schools.

School staff continue to participate in high quality external Professional Development courses and in-house training. All this serves to enrich the teaching style of the whole School and continues to be an important aspect of the Appraisal Policy. There were six whole School INSET days during the year at which staff training was delivered as well as a regular programme of short-focused training sessions that was delivered during and after school during term-time. Governors and Trustees also participate in internal, external and online training.

#### **Principal Risks and Uncertainties**

The Trustees undertake an annual risk review to identify major risks to which the Charity is exposed. This review includes a full evaluation and thorough assessment of the primary risks relating to the key areas of the Charity as defined below and how these risks can be best minimised to reduce their potential impact on the School. Responsibility for detailed monitoring of each of the categories of risk identified is allocated to a committee or retained by the full board of Governors and Trustees. The mitigation activities that have been undertaken in the preceding year in response to the risk are discussed in the meetings of the relevant committee/full board and any additional mitigation activities that are required are detailed and monitored.

In 2020-21, alongside all organisations within the UK and globally, it was necessary to address the risk from the Coronavirus pandemic. Specific risk assessments were drawn up in line with Government guidance and reviewed regularly to ensure that all reasonable steps are being taken to protect the health and well-being of staff and pupils. The pandemic has had consequential impact on the School's costs and income. However, the School has sufficient reserves to enable it to take a measured and considered approach to managing the current financial risk.

In addition to the current Health & Safety and Financial risks arising from the Coronavirus pandemic, the major risk areas are:

- Safeguarding: including Keeping Children Safe in Education, anti-bullying and online safety
- Operational: including Regulatory and Environmental factors
- Financial: including Information Technology and staff compensation factors
- Governance: including a review of Mission / Objects, Governance & Management and External factors
- Personnel: including Staffing, Employment and Academic factors
- Health & Safety: including Fire Risk Assessment / Procedures, Accidents and External events
- Reputation: including Safety, Education and Publicity

## ST. MARY'S SCHOOL, HAMPSTEAD

### Strategic Report (continued)

#### Year ended 31 August 2021

The principal risks identified and receiving a high level of mitigation activity concern the impact of external economic factors and their potential impact on pupil numbers leading to more sophisticated early warning indicators; external catastrophe planning; and recruitment and retention issues.

The Trustees continue to monitor the School's performance in relation to teaching, staff movement, Catholicity and the value added provided by the School.

#### Fundraising

The School raised £5,066 from parental donations towards bursaries in the year to 31 August 2021 (2020: £11,884).

#### FINANCIAL RESULTS

The principal source of funding for the School is its termly fees, which supports the key objective of providing a Roman Catholic education.

The total incoming resources for the year were £3,912,302 (2020: £4,557,191). The total outgoing resources were £4,281,641 (2020: £4,586,266). The net incoming resources for the year amounted to a deficit of £369,339 (2020: £29,075). This decrease in net incoming resources for the year 2020-21 compared with 2019-20 arose mainly from a reduction in pupil numbers as a result of the pandemic.

Within total incoming resources, £36,283 was restricted funds (2020: £169,852) which related to the Coronavirus Job Retention Scheme (2020: £169,537). £5,066 (2020: £11,884) was also received as parental donations towards bursaries, the expenditure of which also shows within incoming resources for the year. All restricted funds received were fully expended during the year.

At 31 August 2021, the total funds of the School were £4,764,009 (2020: £5,133,348). All the School funds as at 31 August 2021 are unrestricted and are held for use by the School. Its assets are sufficient to meet its obligations. The funds are being used to help finance current and future operational and capital projects.

#### RESERVES POLICY

Reserves are primarily held to enable the continuity of services and activities undertaken by the School.

Specific reasons to hold reserves are:

- to handle a sudden reduction in income;
- to cover for other key risks crystallising resulting in unplanned expenditure; or
- to take advantage of unexpected opportunities.

In considering the level of reserves that should be held, the Trustees test the policy level against various scenarios to ensure that adequate levels of reserves are held. In doing so, the Trustees have set a target range for free reserves (being total funds less any restricted funds and fixed assets) equivalent to the annual fee value resulting from a drop in pupil numbers of ten to thirty-three percent. At 31 August 2021, this range was between £502,200 and £1,674,000.

## ST. MARY'S SCHOOL, HAMPSTEAD

### Strategic Report (continued)

#### Year ended 31 August 2021

At 31 August 2021, the total funds of the School were £4,764,009 (2020: £5,133,348) while the net book value of fixed assets totalled £3,514,034 (2020: £3,766,605) resulting in free reserves of £1,249,975 (2020: £1,366,743).

The Trustees have reviewed areas of uncertainties that may impact the School's free reserves. Pupil numbers are an uncertainty as they are challenging to forecast accurately and can be impacted by factors outside the School's control. Pupil numbers, and in turn fee income, in 2020-21 have been significantly impacted as a result of the Coronavirus pandemic with a number of families leaving London at short notice and returning to their home countries or moving away from the School.

It had been expected that the reduction in pupil numbers and additional costs arising from the pandemic would result in a net deficit and a decrease in free reserves during 2020-21. The Trustees expect that this position will continue in 2021-22 and, to a lesser degree, during 2022-23. The Trustees are satisfied that the free reserves are sufficient for this impact to be managed within the target range of free reserves (general reserves) and that there is adequate working capital for the going concern status of the School to be assured. The School plans to return to making surpluses in 2022-23 or 2023-24 with the aim of reaching the top end of the target for free reserves.

#### PLANS FOR THE FUTURE

The Trustees intend for the School to continually improve its educational offering in line with its objectives and to maximise the benefits it provides to the wider community.

During the year to 31 August 2022, the School's focus is on the integration of the STEAM (Science, Technology, Engineering, Art and Maths) centre throughout the curriculum and to review the offering of Music and Drama with the new Head of Music & Drama. The School also intends to draw up plans for the next stage of its ongoing programme of improvements to ensure the School continues to offer an outstanding experience for all our pupils.

The Strategic Report was approved by order of the Trustees and signed on their behalf by



C Barry-Walsh  
Chairman  
30 November 2021

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF ST MARY'S SCHOOL, HAMPSTEAD**

**Opinion**

We have audited the financial statements St Mary's School, Hampstead (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

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 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.

**Other information**

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

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF ST MARY'S SCHOOL, HAMPSTEAD (continued)**

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

We have nothing to report in this regard.

**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 (incorporating the Directors' report) and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and 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 Directors' report.

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

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

**Respective responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF ST MARY'S SCHOOL, HAMPSTEAD (continued)**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of 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 bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

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

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF ST MARY'S SCHOOL, HAMPSTEAD (continued)**

**Use of our report**

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



**Sudhir Singh, FCA** (Senior Statutory Auditor)

For and on behalf of:

**MHA MacIntyre Hudson**

Chartered Accountants & Statutory Auditor

6<sup>th</sup> Floor

2 London Wall Place

London

EC2Y 5AU

1 January 2022

**ST MARY'S SCHOOL, HAMPSTEAD**

**Statement of Financial Activities (incorporating Income and Expenditure Account)  
for the year ended 31 August 2021**

		Unrestricted	Restricted	Total	Total
	Note	£	£	2021	2020
				£	£
<b>Income</b>					
Investment income – interest receivable		166	-	166	11,318
Donations		-	5,066	5,066	12,199
 <i>Charitable activities:</i>					
School operations:	2a				
Gross Fees receivable		3,808,190	-	3,808,190	4,141,590
Less: Bursaries		(242,525)	(5,066)	(247,591)	(220,401)
		<u>3,565,665</u>	<u>(5,066)</u>	<u>3,560,599</u>	<u>3,921,189</u>
Ancillary Income	2a	310,188	-	310,188	442,948
Material Items	2a	-	36,283	36,283	169,537
		<u>3,875,853</u>	<u>31,217</u>	<u>3,907,070</u>	<u>4,533,674</u>
 <b>TOTAL INCOME</b>		 <u>3,876,019</u>	 <u>36,283</u>	 <u>3,912,302</u>	 <u>4,557,191</u>
 <b>Expenditure</b>					
<i>Charitable activities:</i>					
School operating costs		(4,245,358)	(36,283)	(4,281,641)	(4,586,266)
		<u>(4,245,358)</u>	<u>(36,283)</u>	<u>(4,281,641)</u>	<u>(4,586,266)</u>
<b>TOTAL EXPENDITURE</b>	3	<u>(4,245,358)</u>	<u>(36,283)</u>	<u>(4,281,641)</u>	<u>(4,586,266)</u>
 <b>Net income and net movement in funds for the year</b>		 <u>(369,339)</u>	 <u>-</u>	 <u>(369,339)</u>	 <u>(29,075)</u>
 <i>Reconciliation of funds</i>					
Total funds brought forward		5,133,348	-	5,133,348	5,162,423
		<u>5,133,348</u>	<u>-</u>	<u>5,133,348</u>	<u>5,162,423</u>
Total funds carried forward	9	4,764,009	-	4,764,009	5,133,348
		<u>4,764,009</u>	<u>-</u>	<u>4,764,009</u>	<u>5,133,348</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

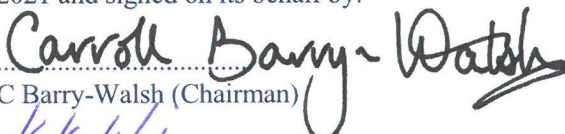
The notes on pages 20 to 32 form part of these Financial Statements.


All income and expenditure arise from the School's continuing operations.

**ST MARY'S SCHOOL, HAMPSTEAD**  
**Company No: 2643515**  
**Balance Sheet**  
**at 31 August 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	5		3,514,034		3,766,605
<b>Current assets</b>					
Debtors	6	67,414		161,013	
Cash at bank and in hand		2,224,652		2,319,331	
		2,292,066		2,480,344	
<b>Liabilities: Amounts falling due within one year</b>	7	(805,657)		(876,101)	
<b>Net current assets</b>			1,486,410		1,604,243
<b>Total assets less current liabilities</b>			5,000,443		5,370,848
<b>Liabilities: Amounts falling due after more than one year</b>	8		(236,434)		(237,500)
<b>Net Assets</b>			4,764,009		5,133,348
<b>Funds</b>					
<b>Unrestricted Funds:</b>					
General Funds	9		1,249,975		1,366,743
Tangible Fixed Assets Fund	9		3,514,034		3,766,605
<b>Total Funds</b>			4,764,009		5,133,348

The Financial Statements on pages 17 to 32 were approved by the Board and authorised for issue on 30 November 2021 and signed on its behalf by:

  
 .....  
 C Barry-Walsh (Chairman)

  
 .....  
 K K Wilkins (Treasurer)

The notes on pages 20 to 32 form part of the Financial Statements.

**ST MARY'S SCHOOL, HAMPSTEAD**  
**Company No: 2643515**  
**Statement of Cash Flows**  
**at 31 August 2021**

	Notes	2021	2020
		£	£
<b>Cash (used)/provided by operating activities</b>	13	(74,859)	178,650
<b>Cash flows from investing activities</b>			
Bank interest received		166	11,318
Purchase of Tangible Fixed Assets		(19,986)	(179,642)
Cash used in investing activities		(19,820)	(168,324)
Increase/(Decrease) in cash and cash equivalents in the year		(94,679)	10,326
Total cash and cash equivalents and the beginning of the year		2,319,331	2,309,005
Total cash and cash equivalents at the end of the year		2,224,652	2,319,331

**Analysis of changes in net debt**

	2021		
	As at 1 September	Cashflows	As at 31 August
	£	£	£
<b>Cash and cash equivalents</b>			
Cash	2,319,331	(94,679)	2,224,652
Total	2,319,331	(94,679)	2,224,652
	2020		
	As at 1 September	Cashflows	As at 31 August
	£	£	£
<b>Cash and cash equivalents</b>			
Cash	1,009,005	1,310,326	2,319,331
Cash and cash equivalents – deposit account	1,300,000	(1,300,000)	-
Total	2,309,005	10,326	2,319,331

The notes on pages 20 to 32 form part of the Financial Statements.

## ST MARY'S SCHOOL, HAMPSTEAD

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

#### 1. Accounting policies

##### a. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standards applicable to the UK and the Republic of Ireland (FRS102) and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS102.

The functional and presentational currency is sterling and amounts are rounded to the nearest pound.

##### b. Going concern

The School's key activity of providing a Roman Catholic education is such that fee income represents the majority of the School's income. Fee income in 2020-21 has been significantly impacted as a result of the Coronavirus pandemic with a number of families leaving London at short notice and returning to their home countries or moving away from the School. Forecasts for 2021-22 and 2022-23 have been produced and provided to the Trustees. It is expected that the impact of the Coronavirus pandemic on income and expenditure will result in a net deficit and decrease in free reserves during 2021-22 and, to a lesser degree, during 2022-23.

Pupil numbers are an uncertainty. However, they are not a material uncertainty and do not cast doubt on the ability of the School to continue as a going concern, as the uncertainty is being managed through cost management strategies and a strong focus on marketing. The School's level of the free reserves are sufficient for the impact to be managed over the medium-term within the target range of free reserves (general reserves). Additionally, there is adequate working capital for the going concern status of the School to be assured, specifically in the 12 months from the date of the signing of the Financial Statements. The School plans to return to making surpluses in 2022-23 or 2023-24 with the aim of reaching the top end of the target for free reserves.

##### c. Income

Fees receivable consist of charges billed for the school year 2020/2021. Fees received for education provided in future years are carried forward as deferred income (fees received in advance). Other fee income consists of additional fees from tuition classes, lunches and registration fees which is accounted for on a receivable basis. Donations and income from fundraising activities are recognised when the School has entitlement to the receipt of the income, it can accurately measure the amount and it is probable that the economic benefits associated with the transaction will flow to the School. Fundraising activities undertaken within the School for other Charities are treated as funds held for third parties and any amounts held at the year-end are shown in the balance sheet.

Income also includes material Government grants relating to the Coronavirus Job Retention Scheme provided to support organisations during the Coronavirus pandemic. These have been recognised in full in the year for which they were receivable. All grants for staff costs in 2020-21 were applied for during the year. This income was treated as restricted funds.

## ST MARY'S SCHOOL, HAMPSTEAD

### NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2021

#### d. Assets

Fixed assets costing more than £1,000 are shown on the balance sheet at cost less cumulative depreciation. Group purchases of IT equipment costing less than £1,000 per item are also capitalised where the estimated life extends over at least 3 years and the value of the group purchase exceeds £1,000. Current assets are shown at the lower of cost and net realisable value.

#### e. Depreciation

Depreciation is provided on all tangible fixed assets retained for the School's own use, other than freehold land, at rates calculated to write off their cost over their estimated useful economic lives at the following rates, on a straight-line basis:

Freehold buildings	2½% to 10% on cost
Furniture, equipment and IT	20% to 33⅓% on cost
Land is not depreciated.	

Since the end of the financial year, the Trustees have reconsidered the estimated useful economic life of IT and now consider 4 years to be a better estimate of the useful economic life of such assets. Accordingly, going forward, IT will be depreciated on a straight-line basis at a rate of 25% on cost.

#### f. Pension costs

The School contributes to the Teachers' Pension Scheme (a defined benefit scheme) at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with SORP (FRS102) the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to personal defined contribution pension schemes for staff other than teachers and these contributions are paid or accrued within the year in which the corresponding salary is earned.

#### g. Deposits

Deposits are refundable when a pupil leaves the School and are treated as a long term liability upon entry to the School except to the extent that they are due to be repaid within one year of the balance sheet date in which case they are recorded as a current liability. Forfeited deposits are taken to income. Unclaimed deposits are deemed forfeited one year after a pupil leaves the School.

#### h. Expenditure

Expenditure is recognised on an accruals basis as soon as a liability is considered probable and has been analysed between School Operating Costs and Educational Grants. Expenditure is summarised under functional headings either on a direct cost basis or, for overhead support costs, apportioned according to management estimates of staff time spent. Irrecoverable VAT is included within the item of expenditure to which it relates. Support costs represent school administration costs incurred to support charitable activities and governance.

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

**i. Termination payments**

Termination payments do not provide future economic benefits and are therefore recognised as an expense in the Statement of Financial Activities as soon as the Charity is demonstrably committed to terminate the relevant employment (when a formal plan for termination of employment, without the realistic possibility of withdrawal, has been established). The amount recognised is the best estimate of the expenditure required to settle the obligation at the reporting date.

**j. Operating leases**

Operating lease costs are written off to the Statement of Financial Activities on a straight-line basis over the lease period.

**k. Financial Instruments**

The Charity only holds basic Financial Instruments. Financial Instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets or financial liabilities. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including any accrued income) are financial instruments and are debt instruments measured at amortised cost as detailed in note 6. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 7 and 8. Amounts due for taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

**l. Cash at bank and in hand**

Cash at bank and in hand includes cash and highly liquid assets with a short maturity of less than twelve months.

**m. Corporation Tax**

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**n. Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

Critical accounting estimates and assumptions - the School 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.

The School has provided for doubtful debts on the basis of assumptions over which debts at the balance sheet date may not be paid in full. However, due to the low level of debts that had not been paid by the date of preparing the provision, the range of possible outcomes resulting from various assumptions is not material and therefore the estimates used to calculate the provision are not considered critical.

Critical areas of judgment - the depreciation policies used by the School represent a critical judgement as to the useful lives of the tangible fixed assets of the Charity.

**2a. School operation income**

	2021 Unrestricted	2021 Restricted	2021 Total	2020 Total
	£	£	£	£
Gross School fees receivable	3,808,190	-	3,808,190	4,141,590
Less Bursaries	(242,525)	(5,066)	(247,591)	(220,401)
	<u>3,565,665</u>	<u>(5,066)</u>	<u>3,560,599</u>	<u>3,921,189</u>
Ancillary Income:				
Extras	142,352	-	142,352	247,377
Lunches	147,779	-	147,779	168,264
Registration fees	8,625	-	8,625	8,831
Other	11,432	-	11,432	18,476
	<u>310,188</u>	<u>-</u>	<u>310,188</u>	<u>442,948</u>
Material items:				
Government grants under the Coronavirus Job Retention Scheme	-	36,283	36,283	169,537
	<u>3,875,853</u>	<u>31,217</u>	<u>3,907,070</u>	<u>4,533,674</u>

All income in 2020 was for unrestricted funds.

**2b. Net movement in funds**

	2021 £	2020 £
Net movement in funds is stated after charging:		
Auditor's remuneration (including VAT):		
External audit (current year)	17,760	14,340
Operating lease charges	11,415	11,278
Depreciation	272,557	303,363
Loss on disposal of fixed assets	-	5,185
	<u>272,557</u>	<u>303,363</u>

All these movements are movements in unrestricted funds.

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

**3. Charitable Expenditure**

The split of expenditure between restricted and unrestricted funds in the year ended 31 August 2021 is shown below. This is primarily due to the restricted funds received in the form of Government grants under the Coronavirus Job Retention Scheme.

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>
<b>2021 Charitable expenditure -</b>			
School operating costs:			
Teaching costs	2,659,369	33,915	2,693,284
Catering	227,592	-	227,592
Premises	621,353	-	621,353
School administration	736,049	2,368	738,417
Public benefit	995	-	995
	4,245,358	36,283	4,281,641

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2020 £</b>
<b>2020 Charitable expenditure -</b>			
School operating costs:			
Teaching costs	2,784,299	148,656	2,932,955
Catering	175,845	-	175,845
Premises	673,676	6,430	680,106
School administration	778,950	14,451	793,401
Public benefit	3,644	315	3,959
	4,416,414	169,852	4,586,266

Analysis of charitable activities expenditure:

	<b>Direct costs £</b>	<b>Support costs £</b>	<b>Total 2021 £</b>
<b>2021 Charitable expenditure -</b>			
School operating costs:			
Teaching costs	2,693,284	-	2,693,284
Catering	227,592	-	227,592
Premises	621,353	-	621,353
School administration	200,559	537,858	738,417
Public benefit	995	-	995
	3,743,783	537,858	4,281,641

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

**3. Charitable Expenditure (continued)**

	<b>Direct costs £</b>	<b>Support costs £</b>	<b>Total 2020 £</b>
<b>2020 Charitable expenditure -</b>			
School operating costs:			
Teaching costs	2,932,955	-	2,932,955
Catering	175,845	-	175,845
Premises	680,106	-	680,106
School administration	236,240	557,161	793,401
Public benefit	3,959	-	3,959
	<u>4,029,104</u>	<u>557,161</u>	<u>4,586,266</u>

	<b>Unrestricted funds £</b>	<b>2021 Restricted funds £</b>	<b>Total £</b>
<b>2021 Support costs:</b>			
School administration: staff costs	482,151	2,368	484,519
Governance costs:			
Audit fee	17,760	-	17,760
Legal and professional fees	32,943	-	32,943
Trustees' and Governors' expenses	2,635	-	2,365
	<u>535,490</u>	<u>2,368</u>	<u>537,858</u>

	<b>Unrestricted funds £</b>	<b>2020 Restricted funds £</b>	<b>Total £</b>
<b>2020 Support costs:</b>			
School administration: staff costs	459,945	14,451	474,396
Governance costs:			
Audit fee	14,340	-	14,340
Legal and professional fees	66,663	-	66,663
Trustees' and Governors' expenses	1,762	-	1,762
	<u>542,710</u>	<u>14,451</u>	<u>557,161</u>

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

**3. Charitable Expenditure (continued)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs include:		
Wages and salaries	2,413,788	2,335,973
Social security costs	245,353	237,953
Pension contributions	365,069	352,880
Supply staff costs	25,660	214,679
	3,049,870	3,141,485

Material Government grants amounting to £169,537 relating to the Coronavirus Job Retention Scheme were received in 2019-20. This related to claims for gross pay of £156,587, employer's national insurance contributions of £10,542 and pension contributions of £2,408. In 2020-21 further grants were received amounting to £36,283, which related entirely to claims for gross pay.

Staff wages and salary costs include termination payments paid during the year of £19,733 (2020: £1,556).

Total employee salaries and other benefits of key management personnel, including employers' pension contributions and employer's national insurance contributions:

	£422,869	£414,023

The members of the key management personnel are Trustees, Governors and the senior leadership team as listed on page 2. The increase in total employee benefits of key management personnel reflects the employment of all the senior leadership for the full financial year.

**Governors' and Trustees' remuneration and expenses**

No remuneration or benefits were provided to any Governors or Trustees during the year other than the School purchasing Trustees' and Governors' indemnity insurance to provide cover of up to £1 million. The premium for 2021 was £699 (2020: £812). In the year to 31 August 2021, two Trustees were reimbursed £112 (2020: £1,553 two Governors, of which one was also Trustees, and one Trustee) in respect of training and out of pocket expenses. A further £2,523 (2020: £209) was spent in connection with the Governors and Trustees on training, stationery, hospitality and a modest gift given to DH Rands (Chair of Trustees) by the Trustees on the occasion of his retirement following 20 years' service to the School.

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

The number of employees whose emoluments (including salaries and other benefits but excluding employers' pension contributions and employer's national insurance contributions) exceeded £60,000 was:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £70,000	2	2
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
£100,000 - £110,000	<u>1</u>	<u>1</u>

These employees are accruing retirement benefits under the Standard Life Pension Scheme, a defined contribution scheme, and the Teachers' Pension Scheme, a defined benefit scheme.

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
The average number of employees during the year was:		
Teaching	57	56
Other	16	17
	<u>73</u>	<u>73</u>

**4. Taxation**

Value Added Tax on expenditure is borne in full and is included within the expenditure headings to which it relates.

**5. Tangible fixed assets**

	<b>Land</b>	<b>Freehold</b>	<b>Furniture &amp;</b>	<b>Total</b>
	<b>£</b>	<b>Buildings</b>	<b>Equipment</b>	<b>£</b>
		<b>£</b>	<b>£</b>	
<b>Cost</b>				
At 1 September 2020	1,000,000	3,647,466	1,073,994	5,721,460
Additions	-	7,391	12,595	19,986
At 31 August 2021	<u>1,000,000</u>	<u>3,654,857</u>	<u>1,086,589</u>	<u>5,741,446</u>
<b>Depreciation</b>				
At 1 September 2020	-	1,227,005	727,850	1,954,855
Charge for year	-	122,590	149,967	272,557
At 31 August 2021	<u>-</u>	<u>1,349,595</u>	<u>877,817</u>	<u>2,227,412</u>
<b>Net book value</b>				
At 31 August 2021	<u>1,000,000</u>	<u>2,305,262</u>	<u>208,772</u>	<u>3,514,034</u>
<b>Net book value</b>				
At 31 August 2020	<u>1,000,000</u>	<u>2,420,461</u>	<u>346,144</u>	<u>3,766,605</u>

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

**5. Tangible Fixed Assets (continued)**

There were no contractual commitments to acquire tangible fixed assets at the year end.

The Trustees are of the opinion that the current market value of the freehold land and buildings is significantly in excess of its current book value. This is supported by the valuation of the property by Cluttons in July 2008 which resulted in an existing use valuation (with vacant possession) of £8,250,000 (before Mary Ward Hall build completion).

<b>6. Debtors</b>	<b>2021</b>	<b>2020</b>
	£	£
Fees	19,368	74,385
Other debtors	1,210	42,361
Prepayments	46,836	44,267
	<hr/>	<hr/>
	67,414	161,013
	<hr/> <hr/>	<hr/> <hr/>

Fees outstanding are stated after a provision for doubtful debts of £29,085 (2020: £30,665).

<b>7. Creditors: Amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	£	£
Trade creditors	146,096	162,452
Fees received in advance	427,347	397,333
Fee deposits	30,393	38,873
Other taxes and social security	63,503	57,911
Accruals and deferred income	92,812	170,206
Pension contributions	36,025	35,071
Other creditors	9,481	14,255
	<hr/>	<hr/>
	805,657	876,101
	<hr/> <hr/>	<hr/> <hr/>

<b>Deferred Income</b>	<b>2021</b>	<b>2020</b>
	£	£
Brought forward at 1 September 2020	99,842	69,870
Resources deferred in the year	41,500	99,842
Resources released to SOFA in year	(99,842)	(69,870)
	<hr/>	<hr/>
Deferred Income at 31 August 2021	41,500	99,842
	<hr/> <hr/>	<hr/> <hr/>

Deferred income is amounts received from parents in advance in respect of fees in lieu of notice relating to the Autumn Term 2021 and deposits for trips taking place in 2021-22.

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

<b>8.</b>	<b>Creditors: Amounts falling due after more than one year</b>	<b>2021</b>	<b>2020</b>
		£	£
	Fee deposits:		
	Between 2-5 years	159,434	161,500
	More than 5 years	77,000	76,000
		<hr/>	<hr/>
		236,434	237,500
		<hr/> <hr/>	<hr/> <hr/>

**9. Restricted and unrestricted funds**

	Balance at 1 September 2020 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2021 £
Unrestricted funds:					
General funds	1,366,743	3,876,019	(4,245,358)	252,571	1,249,975
Tangible fixed assets fund	3,766,605	-	-	(252,571)	3,514,034
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,133,348	3,876,019	(4,245,358)	-	4,764,009
Restricted funds:					
Material Government grants	-	36,283	(36,283)	-	-
Donations	-	-	-	-	-
Other	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	36,283	(36,283)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,133,348	3,912,302	(4,281,641)	-	4,764,009
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The tangible fixed asset fund is represented by the accumulated capitalised expenditure on tangible fixed assets net of depreciation. The amounts transferred in the year represent the net of depreciation, additions and disposals in the year.

In 2020-21, the restricted funds were received and used for the following purposes:

- Material Government grants received under the Coronavirus Job Retention Scheme were used to fund part of the cost of salaries for staff on furlough leave. In 2019-20 these also funded part of the cost of employer's national insurance and pension contributions for these employees.
- Donations were made for the purposes of funding bursaries (the expenditure of which is also shown within incoming resources).

**ST MARY'S SCHOOL, HAMPSTEAD**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021**

For comparative purposes the movement on funds in 2019-20 were as follows:

	<b>Balance at 1 September 2019 £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Transfers £</b>	<b>Balance at 31 August 2020 £</b>
Unrestricted funds:					
General funds	1,266,913	4,387,339	(4,416,414)	128,905	1,366,743
Tangible fixed assets fund	3,895,510	-	-	(128,905)	3,766,605
	<u>5,162,423</u>	<u>4,387,339</u>	<u>(4,416,414)</u>	<u>-</u>	<u>5,133,348</u>
Restricted funds:					
Material Government grants	-	169,537	(169,537)	-	-
Donations	-	-	-	-	-
Other	-	315	(315)	-	-
Other	<u>-</u>	<u>169,852</u>	<u>(169,852)</u>	<u>-</u>	<u>-</u>
	<u>5,162,423</u>	<u>4,557,191</u>	<u>(4,586,266)</u>	<u>-</u>	<u>5,133,348</u>

**10. Operating leases**

	<b>2021 £</b>	<b>2020 £</b>
Hire of equipment		
Total of future minimum lease payments under non-cancellable operating leases:		
Payments due within one year	7,246	11,403
Payments due in one to two years	142	7,219
Payments due in two to five years	-	125
	<u>7,388</u>	<u>18,747</u>

**11. Pensions**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £310,366 (2020: £302,938). At the year-end £36,025 (2020: £27,803) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for

## ST MARY'S SCHOOL, HAMPSTEAD

### NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2021

teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, from September 2019 TPS employers pay an increased contribution rate of 23.68% (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers paid the previous rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

#### **Defined Contribution Scheme**

The School also runs a pension scheme with Standard Life for those members of staff who are not eligible to join the Teachers' Pension Scheme. This is a money purchase scheme. The School contributes between 1% and 14% of an employee's salary, dependent on length of service. The cost for the year represents the School's contribution to the scheme of £54,703 (2020: £49,942). This had been paid in full during the year and nothing was owing at the year-end (2020: £7,268 owing).

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued)  
YEAR ENDED 31 AUGUST 2021

12. Related party transactions

There were no related party transactions in the year other than the Governors' expenses disclosed in note 3. DH Rands, who retired as the Chair of Trustees and as a Trustee on 2 December 2020 was presented with a modest gift to honour his service to the School, on the occasion of his retirement.

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

	2021	2020
	£	£
Net (outgoing)/incoming resources	(369,339)	(29,075)
Add: Depreciation	272,557	303,363
Add: Loss on disposal of fixed assets	-	5,185
Less: Investment income and bank interest	(166)	(11,318)
Decrease/(increase) in debtors	93,599	(39,442)
(Decrease)/increase in creditors	(71,510)	(50,063)
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	<u>(74,859)</u>	<u>178,650</u>