

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

Annual report and financial statements

For the year ended

31 August 2023

Company No: 2643515

Charity registered in England No: 1006411

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report

Year ended 31 August 2023

The Trustees have prepared their annual report for the year ended 31 August 2023 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).

AIMS, OBJECTIVES & MISSION

a. Our Aims

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 Trustees seek to achieve a fair balance between benefits provided and the need for the School to maintain a prudent financial position when exercising their powers and duties in setting fees charged by the school and when identifying the benefits provided by the School in relation to its aims.

b. Our Objectives

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.

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.

c. Our Mission

The School's Mission Statement is:

- Spiritual and moral principles are nurtured in a way that is reflected in daily life.
- Within a happy and caring environment, and based on the recognition of the dignity and worth of every child, high standards are expected and pursued.
- Intellectual development is emphasised and fostered along with the pursuit of academic excellence.
- St Mary's values the unique contribution of every child within the school community.
- St Mary's aims to encourage an active partnership between home, school, parish and the wider community.

ACHIEVEMENTS & PERFORMANCE

a. Leadership

At the end of the Summer Term 2023, the Trustees joined with the whole School community to thank Mrs Connor-Earl for her seven years of dedicated service to the School and to wish her every success and happiness in the future. A wonderful summer party was enjoyed by all after the annual Prize Giving service in June 2023.

In December 2022, the Trustees recruited a new Headmistress, Miss Charlotte Owen, who took over the leadership of the School from 1 September 2023.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

b. Pupil Numbers

The School has continued to provide a Catholic preparatory education for girls aged 2 ¼ to 11. The pupil numbers for the year averaged 208, 49% Catholic (2022: 227, 48% Catholic).

c. Curriculum & Academic Achievements

Pupils at the School continued to perform at a level well in excess of the national standard expectation for their age groups. Despite being non-selective on entry, Year 6 pupils typically achieve standardised scores in Maths and English assessments of 115-120, compared to the national average for independent schools of 108-110 and all schools of 100. The highest achievable score is 131.

The Senior School Entrance Examination results show that the School continues to secure places for its pupils at a wide range of leading London day schools and out-of-London boarding schools. Typical destinations for girls leaving at the end of Year 6 include Channing School; City of London School for Girls; Francis Holland, Regent's Park; Godolphin and Latymer School; Highgate School; More House School; North London Collegiate School; Queen's College, London; Queenswood; South Hampstead High School; St Margaret's School, Bushey; St Mary's School, Ascot; St Paul's Girls' School; St Helen's School; and Wycombe Abbey.

The School provides our pupils with an education that is rich, varied and tailored to their needs to enable them to discover their full potential. The learning environment is supportive and positive, yet challenging. We believe that real learning stems from nurturing a love of and curiosity for the subjects being taught.

At St. Mary's School, we teach using the Creative Curriculum. This approach uses a single topic, which permeates through many aspects of the curriculum. Placing creativity at the centre of our curriculum ensures our children remain at the forefront of educational practices. We have seen that it enables them to take greater risks, make tangible connections in their learning and think deeply about real-world problems.

We are immensely proud of our pioneering Global Learning Centre. The space includes a cutting-edge Engineering and Robotics Lab, Virtual Reality Launch Pad, Art and Design Studio as well as a Green Room. This modern, innovative centre has been specially designed to promote STEAM at St Mary's. STEAM is a holistic approach that combines Science, Technology, Engineering, Art and Maths within their learning.

d. Developing Sporting Talent

Sport is an essential and fun part of the day at St Mary's School. The P.E. Department are passionate about inspiring children to fall in love with sport, so we provide a wide range of options to ensure they find their special talent.

Our sports programme is inclusive and every pupil from Nursery to Year 6 will participate in at least two P.E. lessons a week. The lessons are supported by a plethora of sports clubs before, during and after school.

We benefit from a well-equipped hall on-site for gymnastics and a spacious outside play area. Climbing equipment has been installed and a full-size netball court allows for football, rugby, cricket, tennis, netball, dodgeball and rounders lessons.

The School also uses excellent local facilities such as Hampstead Heath for athletics and Swiss Cottage Leisure Centre for swimming and rock climbing.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

Children show great enthusiasm and an appropriate competitive spirit for the individual and team events. Pupils also enjoy participating in many fixtures and tournaments against local schools with the School achieving considerable success across the board.

In 2022-23, 221 matches were played, with the girls winning 71%. Some highlights include:

- ISA Regional Netball qualifier – 4th place
- ISA Regional Football Qualifier – 1st place
- ISA National Netball Finals – 10th place
- ISA National Football Finals – 9th place
- LVS Ascot ISA Football Festival – 4th Place
- Year 5 Devonshire House Football Competition – 1st Place
- Cavendish School Football Competition – 3rd Place
- Southbank International Football Competition – 2nd Place
- Year 6 Devonshire House Netball Competition – 2nd Place
- St Mary's Cricket Competition – 1st Place

e. Creativity Outside the Classroom

Music, Drama and Art form an important part of the creative curriculum and involve everyone, from Nursery upwards. The lessons are lively, engaging, fun and of an extremely high quality.

At St Mary's, we believe that a love of music gained in childhood lasts a lifetime and that making music with others is a social and uplifting experience.

The children are taught the essential skills of performing, composing and appreciating a variety of musical styles. Our one-to-one instrument lessons are hugely popular and we nurture our young musicians from a young age. We benefit from talented peripatetic teachers who offer individual or group tuition in piano, violin, clarinet, saxophone, flute, recorder and voice. We are very proud of the superb results our pupils gain in external music exams.

In 2022-23, 100 girls benefited from music lessons and 28 external music exams were taken with ABRSM and Rock School.

Drama and role play are used across all curriculum areas, building confidence and allowing individual talents and strengths to develop.

We plan weekly class assemblies where all the children are encouraged to speak, sing and dance in front of an audience. These invaluable opportunities broaden the imagination, foster creativity and develop communication skills.

f. Enriching and Extending the School Day

We offer a variety of school clubs that take place before school, at lunchtime and after school to support the truly well-rounded education that our girls receive. The current club list numbers over 45 and this excellent extra-curricular provision encourages pupils to stretch their imaginations and find their confidence.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

The successful After School Club provides high-quality and stimulating wraparound care to support working St Mary's families until 6pm (Monday to Friday).

In 2022-23, we introduced a Holiday club, which operates from 8am to 6pm in eight weeks of the school holiday, providing parents with an excellent option for holiday child care.

g. Religious & Pastoral Life

The School develops its religious and pastoral life with the ongoing service and dedication of our Chaplain, Father Chris Connor, in conjunction with the Leaders of Learning for Religious Education 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 June 2019 School's Inspection by the Diocese of Westminster.

The School has assisted current potential members of the Roman Catholic Church through preparing eight children to make their First Confession (2022: 25) and seven (2022: 23) children to receive their First Holy Communion in the School Chapel.

The School hosted two Pupil Chaplaincy meetings led by the Diocese of Westminster. These meetings provided the opportunity for children from eighteen schools across the Diocese to come together to explore more about the expectations of their Chaplaincy role in the academic year ahead. Led by Brother Liam Lynch, pupils were encouraged to encounter Christ and develop their personal relationship with him through their faith and action. Through a range of activities, they felt empowered to become role models to their peers, following their vocation to love and serve God and others in the school and community.

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.

The School teaches and practices the St Mary's Way:

- Treat other people as you would like to be treated.
- Do your best to be your best.
- Be honest and truthful.
- Listen to each other.
- Be kind and helpful.
- Forgive.
- Share

h. Bursaries

Bursary funds are limited and those applicants judged most suitable in accordance with the School's Admissions Policy are given priority. Bursaries and hardship payments are awarded based on financial means testing. The amount awarded to any pupil may vary depending on individual family circumstances. Awards are normally made for up to 95% of the school fees plus other costs connected to attendance, although higher awards can be made where the circumstances require.

During the year bursaries worth £246,265 (2022: £187,414) were awarded to 17 pupils (2022: 15 pupils) in line with the School's policy on financial support. Awards are normally reviewed annually. Prospective parents are

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

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 2023, 15 pupils are benefiting from bursaries.

We have been delighted to be able to support a number of families fleeing the conflict in Ukraine who were hosted under the Homes for Ukraine programme within the local community.

i. Staff Professional Development

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 five 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.

j. Community Activities

The School hosted and attended sporting competitions with other school locally and nationally, with St Mary's being a favoured location due to the quality of its facilities and famed "match tea".

Mini St. Mary's was launched in January 2022 and has been in high demand. This free 1-hour session, run twice a week, provides a stimulating and fun range of structured activities for children from 6 months – 3 years, including free play, malleable play, dance, music, movement, Bee-Bots, arts, crafts and storytelling. The families attending have reported how grateful they have been to find such an important resource to support them and their children.

During the year, the School supported the education of five pupils with Education and Healthcare Plans (2022: two pupils). The cost to the school of providing this support exceeded the income received from the Local Authority by £35,783 (2022: £19,514).

The School encourages charitable activities throughout the year with various fundraising activities. During the course of the year £16,100 (2022: £21,966) was raised through fundraising activities within the School, including by the PTA, for a number of third party charities and appeals. These included Greenhouse Sports, CAFOD, Jeans 4 Genes, Children in Need, Royal British Legion, and Sports for Champions. Our Year 6 students also organised a Spring Fair in March 2023, in support of the DEC Turkey Syria Earthquake appeal. Almost £5,000 was raised for this emergency appeal.

Practical donations of food, clothing and toiletries were also made and donated to the Cardinal Hume Centre and Age UK Camden. Toys were also collected and donated to The Toy Project, and the Cardinal Hume Centre.

Over the course of the academic year, the staff and parents have raised money through the Christmas Fair and disco, holding second hand uniform and cake sales and enjoying a quiz night. The children have also raised money through selling Christmas cards that they have designed, dressing up in pyjamas and bad hair and numerous other small events created and organised by the pupils themselves. We are enormously proud of the work done by the whole school community in order to raise funds for these good causes.

The School continued to coordinate and provide support to early years staff at our school and those from other settings. In November 2022, the School was delighted to be able to host local early years providers for a catch-up. Further CPD sessions were held covering self-regulation and learning about ArcPathway.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

Following their replacement under our cyclical IT renewal programme, fourteen fully depreciated desktop computers were donated to St Mary's Catholic High School.

In June 2023, we were delighted to host two Pupil Chaplaincy meetings led by the Diocese of Westminster.

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.

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.

In setting the fees, the Trustees have 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 aim to 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. In 2022-23 as in 2021-22, the reduction in pupil numbers as a result of the pandemic meant that fees were set to a level that was competitive in the local market, even though this generated a deficit, with this short-term shortfall being made up from reserves.

The total incoming resources for the year were £3,884,447 (2022: £3,919,333). The total outgoing resources were £4,045,196 (2022: £4,121,878). The net incoming resources for the year amounted to a deficit of £160,749 (2022: £202,545).

Within total incoming resources, £5,633 (2022: £4,258) were restricted funds received by way of parental donations towards bursaries, the expenditure of which also shows within incoming resources for the year.

In 2022-23, the School's income was bolstered by the successful introduction of a Holiday Club to complement the After School Club.

At 31 August 2023, the total funds of the School were £4,400,715 (2022: £4,561,464). All the School funds as at 31 August 2023 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.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

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 2023, this range was between £358,800 and £1,196,000.

At 31 August 2023, the total funds of the School were £4,400,715 (2022: £4,561,464) while the net book value of fixed assets totalled £3,161,197 (2022: £3,289,648) resulting in free reserves of £1,239,518 (2022: £1,271,816).

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 2022-23 and 2021-22 were 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. There was also an increased demand for bursary support over these two years as a result of the pandemic. Looking forward it is expected that there will continue to be a higher demand for bursary assistance as the current financial crisis, in the form of inflationary pressures and rising interest rates and taxes, impacts parental ability to pay fees.

It had been expected that the reduction in pupil numbers and additional costs arising from the pandemic, inflation and the energy crisis would result in a net deficit and a decrease in free reserves during 2021-22 and 2022-23, however due to the careful stewardship by the School's leadership team, whilst a deficit has been incurred in both years, there was in fact a small increase in free reserves in 2021-22 and a smaller reduction in free reserves than anticipated in 2022-23. Forecasts have been prepared for 2023-24 and 2024-25 taking into account the additional costs that the School is incurring during the current financial crisis, including the high cost of energy as a result of the current energy crisis. Going forward, it is expected that the School will operate with a small surplus.

The Trustees are satisfied that the free reserves are sufficient for the impact of the reduced pupil numbers 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 2023-24 and to continue to maintain reserves at 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 2024, the School's focus is on continuing to: embed IT into the curriculum; ensure children are equipped with skills relevant for the future; ensure that the emotional, physical and spiritual wellbeing of each child is cared for; and create further opportunities for more able children. The School is also renewing and refreshing its approach to marketing to ensure that its academic and wider successes are known and celebrated.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

The School has begun to draw up plans for improved sustainability to help manage the challenges of the current energy price crisis, as well as prepare the school for the future and reduce our carbon footprint.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

St Mary's School, Hampstead is incorporated as a company limited by guarantee, number 2643515 and is a registered charity, number 1006411. It's registered office and principal address is 47 Fitzjohn's Avenue, London, NW3 6PG.

The School is governed by the Memorandum of Association dated 10 June 1991 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

St Mary's School, Hampstead has a two-tier structure of governance: The Trustees and the 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 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 (Chairman)

Mr K K Wilkins (Treasurer)

Mr R M Carlisle

Mrs Annabel Dumbell (retired 4 January 2023)

Mrs S McCarron

Mr S Murphy

Mrs V Sherwood (retired 28 June 2023)

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 29 March 2023, were Mrs V Sherwood and Ms C Barry-Walsh.

The Governors, who are appointed by the Trustees, 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.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

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

Mr S Murphy ¹²³	(Chairman)
Mr K K Wilkins ¹	(Ex-Officio)
Ms C Barry-Walsh	(Ex-Officio)
Mr R M Carlyle ³	
Mrs A Devlin ²	(Appointed 1 September 2023)
Mrs D Einoeder ²	
Mrs A Granger ³	(Retired 28 June 2023)
Dr D Harris ²	(Retired 12 September 2022)
Mrs S McCarron	
Ms L Rands ³	
Mrs C Wright ³	(Appointed 28 September 2022)
Miss J Zammit-Mangion	(Appointed 28 June 2023)

¹ Member of the Finance and General Purposes Committee

² Member of the Health and Safety Committee

³ Member of the Education and Staffing Committee

The following Trustees were also members of the above committees:

Mrs V Sherwood ² (Retired 28 June 2023)

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 during the 2022-23 school year.

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.

Roles and responsibilities are covered with main job descriptions and responsibilities. Terms of Reference are included 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). Training in certain topics, such as Keeping Children Safe in Education, the Prevent Duty and data protection is mandatory and undertaken by all members of the governing body. Numerous on-line training courses are also undertaken by the Trustees and Governors.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

A list of school policies is available on the School's website. To ensure full compliance with Safeguarding issues the Headmistress, Deputy Head, Director of Studies, Bursar and four 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 & Governors

Qualifying third party indemnity insurance is in place covering the governing body 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 jointly 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 where members consider educational and staffing issues. This committee is chaired by Mr Robert Carlisle.
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 Mrs Dagmar Einoeder.

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 below, led by the Headmistress.

Facilities Management

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.

The Bursar, Premises Manager and Network Manager also oversaw further development works including improvements to the IT infrastructure to upgrade the server. During the year, the School continued its programme of rolling renewal of its IT hardware with the purchase of new iPads, and staff laptops and PCs. The IT infrastructure was upgraded with the installation of new fibre-structured cabling, network switches and a leased line fibre broadband service.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

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 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.

SENIOR LEADERSHIP TEAM AND PROFESSIONAL ADVISORS

Headmistress	Mrs Harriet Connor-Earl (to 31 August 2023) Miss Charlotte Owen (from 1 September 2023)
Bursar & Company Secretary	Mrs Sara Gibbins
Deputy Head (maternity leave)	Miss Philippa D'Aquino
Director of Studies and Acting Deputy Head	Mr Martin Otter
Independent Auditor	Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP
Bankers	Barclays Bank PLC 28 Hampstead High Street London NW3 1QB
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

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 this Trustees' 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.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

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.

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 those 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.

2021-22 saw an emerging energy crisis as a result of the global situation, particularly that in Ukraine. The School has taken appropriate measures to mitigate its risk in relation to the cost of energy and has begun to draw up plans for improved sustainability to help manage the challenges of the current energy prices, as well as prepare the school for the future and reduce our carbon footprint. The School has sufficient reserves to enable it to manage the current energy crisis.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2023

The threatened economic downturn and the possibility of changes in legislation removing beneficial tax treatment from independent schools, create an environment of additional risk for the School. The School manages these risks through ensuring it continues to offer a generous bursary programme together with numerous community activities, demonstrating the strong public benefit it delivers, and ensuring that it maintains its reserves and carefully manages its budgets to enable it to absorb as far as possible the financial impact that any change in tax laws may bring.

In addition to the health & safety and financial risks arising from the energy crisis and the threat from economic downturn and changes in tax laws, 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

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.

AUDITOR

Moore Kingston Smith act as auditors under section 485 of the Companies Act 2006 and have indicated their willingness to continue as the School's auditors.

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.

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


C Barry-Walsh
Chairman
6 December 2023

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

Opinion

We have audited the financial statements of St Mary's School Hampstead ('the company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 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.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

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

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 there is 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 12, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)

for and on behalf of:

Moore Kingston Smith LLP, Statutory Auditor

6th Floor, 9 Appold Street

London

EC2A 2AP

18th December 2023

ST MARY'S SCHOOL, HAMPSTEAD

**Statement of Financial Activities (incorporating Income and Expenditure Account)
for the year ended 31 August 2023**

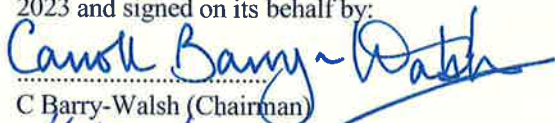
		Unrestricted	Restricted	Total 2023	Total 2022
	Note	£	£	£	£
Income					
Investment income – interest receivable		33,379	-	33,379	236
Donations		-	5,633	5,633	4,263
 <i>Charitable activities:</i>					
School operations:	2a				
Gross Fees receivable		3,530,303	-	3,530,303	3,666,958
Less: Bursaries		(240,632)	(5,633)	(246,265)	(187,414)
		<u>3,289,671</u>	<u>(5,633)</u>	<u>3,284,038</u>	<u>3,479,544</u>
Ancillary Income	2a	561,397	-	561,397	435,290
		<u>3,851,068</u>	<u>(5,633)</u>	<u>3,845,435</u>	<u>3,914,834</u>
 TOTAL INCOME		 <u>3,884,447</u>	 <u>-</u>	 <u>3,884,447</u>	 <u>3,919,333</u>
 Expenditure					
<i>Charitable activities:</i>					
School operating costs		(4,045,196)	-	(4,045,196)	(4,121,878)
		<u>(4,045,196)</u>	<u>-</u>	<u>(4,045,196)</u>	<u>(4,121,878)</u>
TOTAL EXPENDITURE	3	(4,045,196)	-	(4,045,196)	(4,121,878)
 Net (deficit) and net movement in funds for the year		 <u>(160,749)</u>	 <u>-</u>	 <u>(160,749)</u>	 <u>(202,545)</u>
 <i>Reconciliation of funds</i>					
Total funds brought forward		4,561,464	-	4,561,464	4,764,009
		<u>4,561,464</u>	<u>-</u>	<u>4,561,464</u>	<u>4,764,009</u>
Total funds carried forward	10	4,400,715	-	4,400,715	4,561,464
		<u>4,400,715</u>	<u>-</u>	<u>4,400,715</u>	<u>4,561,464</u>


The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 22 to 35 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 2023

	Notes	£	2023 £	£	2022, £
Fixed assets					
Tangible assets	5		3,161,197		3,289,648
Current assets					
Debtors	6	115,473		67,405	
Cash at bank and in hand		2,219,306		2,226,037	
		<u>2,334,779</u>		<u>2,293,442</u>	
Liabilities: Amounts falling due within one year					
	7	(821,711)		(806,976)	
Net current assets					
			<u>1,513,068</u>		<u>1,486,466</u>
Total assets less current liabilities					
			4,674,265		4,776,114
Liabilities: Amounts falling due after more than one year					
Provisions for Liabilities	8		(249,550)		(190,650)
	9		(24,000)		(24,000)
Net Assets					
			<u>4,400,715</u>		<u>4,561,464</u>
Funds					
Unrestricted Funds:					
General Funds	10		1,239,518		1,271,816
Tangible Fixed Assets Fund	10		3,161,197		3,289,648
Total Funds					
			<u>4,400,715</u>		<u>4,561,464</u>

The Financial Statements on pages 19 to 35 were approved by the Board and authorised for issue on 6 December 2023 and signed on its behalf by:


 C Barry-Walsh (Chairman)


 K K Wilkins (Treasurer)

The notes on pages 22 to 35 form part of the Financial Statements.

ST MARY'S SCHOOL, HAMPSTEAD
Company No: 2643515
Statement of Cash Flows
at 31 August 2023

	Notes	2023	2022
		£	£
Cash provided/(used) by operating activities	14	24,849	9,770
Cash flows from investing activities			
Bank interest received		33,379	236
Purchase of Tangible Fixed Assets		<u>(64,959)</u>	<u>(8,621)</u>
Cash used in investing activities		<u>(31,580)</u>	<u>(8,385)</u>
Increase/(Decrease) in cash and cash equivalents in the year		(6,731)	1,385
Total cash and cash equivalents and the beginning of the year		<u>2,226,037</u>	<u>2,224,652</u>
Total cash and cash equivalents at the end of the year		<u>2,219,306</u>	<u>2,226,037</u>

Analysis of changes in net debt

	2023		
	As at 1 September	Cashflows	As at 31 August
	£	£	£
Cash and cash equivalents			
Cash	<u>2,226,037</u>	(6,731)	<u>2,219,306</u>
Total	<u>2,226,037</u>	<u>(6,731)</u>	<u>2,219,306</u>
	2022		
	As at 1 September	Cashflows	As at 31 August
	£	£	£
Cash and cash equivalents			
Cash	<u>2,224,652</u>	1,385	<u>2,226,037</u>
Total	<u>2,224,652</u>	<u>1,385</u>	<u>2,226,037</u>

The notes on pages 22 to 35 form part of the Financial Statements.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

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 the period from March 2020 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. There was also an increased demand for bursary support over the period of the pandemic and this is continuing as high interest rates, inflation and the energy crisis impact parental ability to pay fees.

Despite the increased costs and reduced pupil numbers, due to the careful stewardship by the School's leadership team, a small increase in free reserves was achieved in 2021-22 and a smaller reduction in free reserves than anticipated was achieved in 2022-23. Forecasts have been prepared for 2023-24 and 2024-25 taking into account the additional costs that the School is incurring during the current financial crisis, including the high cost of energy as a result of the current energy crisis. Going forward, it is expected that the School will operate with a small surplus.

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, development of new revenue streams (such as through the new Holiday Club) and a strong focus on marketing. The School's level of 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 expects to return to making surpluses in 2023-24 and to continue to maintain reserves at the top end of the target for free reserves.

c. Income

Fees receivable consist of charges billed for the school year 2022/2023. Fees received for education provided in future years are carried forward as deferred income (fees received in advance). Where parents are charged fees in lieu of notice this is recognized in the term for which the notice should have been given as parents are encouraged to keep their daughter at our school during this period and these charges are designed to cover the shortfall in income that would otherwise arise in that period. Other fee income consists of additional fees from tuition classes, lunches and registration fees which are 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.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

d. Assets

Fixed assets costing more than £1,000 are shown on the balance sheet at cost less cumulative depreciation. Group purchases of IT, furniture and equipment costing less than £1,000 per item are also capitalised where the estimated life extends over at least the period used under the School's depreciation policy for the relevant asset 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 25% on cost
Land is not depreciated.	

The estimated useful economic life of Furniture and equipment was reviewed at the start of 2023-24 and 8-10 years is now considered to be a better estimate of the useful economic life of such assets. Accordingly, from 1 September 2023, the following depreciation rates will be applied:

Furniture	12.5% on cost
Catering and playground equipment	10% 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 is undertaking a phased withdrawal from the Teachers' Pension Scheme and from 1 September 2022 contributes to a defined contribution scheme for teachers employed from 1 September 2022 and existing teachers wishing to move from the Teachers' Pension Scheme to this new scheme. The School also contributes to a defined contribution pension schemes for staff other than teachers. Contributions to defined contribution schemes 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.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

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.

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

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

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.

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

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Gross School fees receivable	3,530,303	-	3,530,303	3,666,958
Less Bursaries	(240,632)	(5,633)	(246,265)	(187,414)
	<u>3,289,671</u>	<u>(5,633)</u>	<u>3,284,038</u>	<u>3,479,544</u>
Ancillary Income:				
Extras	324,166	-	324,166	174,782
Lunches	195,030	-	195,030	188,867
Registration fees	14,345	-	14,345	10,500
Other	27,856	-	27,856	61,141
	<u>561,397</u>	<u>-</u>	<u>561,397</u>	<u>435,290</u>
	<u>3,851,068</u>	<u>(5,633)</u>	<u>3,845,435</u>	<u>3,914,834</u>

In 2023, £5,633 (2022: £5,066) was received as restricted donations for bursaries.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

2b.	Net movement in funds	2023	2022
		£	£
	Net movement in funds is stated after charging:		
	Auditor's remuneration (including VAT):		
	External audit (current year)	18,075	14,100
	Operating lease charges	7,751	10,721
	Depreciation	193,410	233,008
		<u> </u>	<u> </u>

All these movements are movements in unrestricted funds.

3. Charitable Expenditure

The split of expenditure between restricted and unrestricted funds in the year ended 31 August 2023 is shown below.

	Unrestricted funds £	Restricted funds £	Total 2022 £
2023 Charitable expenditure -			
School operating costs:			
Teaching costs	2,460,398	-	2,460,398
Catering	223,632	-	223,632
Premises	620,833	-	620,833
School administration	738,030	-	738,030
Public benefit	2,303	-	2,303
	<u>4,045,196</u>	<u>-</u>	<u>4,045,196</u>

	Unrestricted funds £	Restricted funds £	Total 2021 £
2022 Charitable expenditure -			
School operating costs:			
Teaching costs	2,604,143	-	2,604,143
Catering	230,804	-	230,804
Premises	533,580	-	533,580
School administration	749,393	-	749,393
Public benefit	3,958	-	3,958
	<u>4,121,878</u>	<u>-</u>	<u>4,121,878</u>

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

3. Charitable Expenditure (continued)

Analysis of charitable activities expenditure:

	Direct costs	Support costs	Total 2023
	£	£	£
2023 Charitable expenditure -			
School operating costs:			
Teaching costs	2,460,398	-	2,460,398
Catering	223,632	-	223,632
Premises	620,833	-	620,833
School administration	211,493	526,537	738,030
Public benefit	2,303	-	2,303
	3,518,659	526,537	4,045,196
	3,518,659	526,537	4,045,196

	Direct costs	Support costs	Total 2022
	£	£	£
2022 Charitable expenditure -			
School operating costs:			
Teaching costs	2,604,143	-	2,604,143
Catering	230,804	-	230,804
Premises	533,580	-	533,580
School administration	249,539	499,854	749,393
Public benefit	3,958	-	3,958
	3,622,024	499,854	4,121,878
	3,622,024	499,854	4,121,878

2023 Support costs:

	Unrestricted funds	Restricted funds	Total
	£	£	£
School administration: staff costs	463,629	-	463,629
Governance costs:			
Audit fee	18,075	-	18,075
Legal and professional fees	42,222	-	42,222
Trustees' and Governors' expenses	2,611	-	2,611
	526,537	-	526,537
	526,537	-	526,537

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

3. Charitable Expenditure (continued)

2022 Support costs:

	Unrestricted funds £	Restricted funds £	Total £
School administration: staff costs	457,440	-	457,440
Governance costs:			
Audit fee	14,100	-	14,100
Legal and professional fees	27,069	-	27,069
Trustees' and Governors' expenses	1,245	-	1,245
	<u>499,854</u>	<u>-</u>	<u>499,854</u>
		2023	2022
		£	£
Staff costs include:			
Wages and salaries		2,194,190	2,271,212
Social security costs		235,546	244,998
Pension contributions		366,729	359,370
Supply staff costs		18,742	63,684
		<u>2,815,207</u>	<u>2,939,264</u>

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

£445,803	£429,043
<u>£445,803</u>	<u>£429,043</u>

The members of the key management personnel are Trustees, Governors and the senior leadership team as listed on page 12.

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 £2 million. The premium for 2023 was £1,109 (2022: £853). In the year to 31 August 2023, two Trustees and Governors were reimbursed £163 in respect of travel expenses (2022: £nil was reimbursed to Trustees and Governors in respect of training and out of pocket expenses). During the year, £2,448 (2022: £1,245) was spent in connection with the Governors and Trustees on training, hospitality and modest gifts for the outgoing Headmistress.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

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:

	2023	2022
	No.	No.
£60,000 - £70,000	2	2
£70,000 - £80,000	1	1
£80,000 - £90,000	1	-
£100,000 - £110,000	1	1

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.

	2023	2022
	No.	No.
The average number of employees during the year was:		
Teaching	42	50
Other	17	18
	59	68

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

	Land £	Freehold Buildings £	Furniture & Equipment £	Total £
Cost				
At 1 September 2022	1,000,000	3,661,931	1,088,136	5,750,067
Additions	-	-	64,959	64,959
Disposals	-	-	(89,626)	(89,626)
At 31 August 2023	1,000,000	3,661,931	1,063,469	5,725,400
Depreciation				
At 1 September 2022	-	1,473,019	987,400	2,460,419
Charge for year	-	123,873	69,537	193,410
Disposals	-	-	(89,626)	(89,626)
At 31 August 2023	-	1,596,892	967,311	2,564,203
Net book value				
At 31 August 2023	1,000,000	2,065,039	96,158	3,161,197
Net book value				
At 31 August 2022	1,000,000	2,188,912	100,736	3,289,648

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

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 the Mary Ward Hall build completion).

6. Debtors	2023	2022
	£	£
Fees	27,422	29,274
Other debtors	30,448	98
Prepayments	57,603	38,033
	<hr/>	<hr/>
	115,473	67,405
	<hr/>	<hr/>

Fees outstanding are stated after a provision for doubtful debts of £24,530 (2022: £27,690).

7. Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	82,591	41,247
Fees received in advance	472,199	526,830
Fee deposits	34,000	37,000
Other taxes and social security	55,025	59,681
Accruals and deferred income	126,687	86,963
Pension contributions	41,913	46,321
Other creditors	9,296	8,934
	<hr/>	<hr/>
	821,711	806,976
	<hr/>	<hr/>

Deferred income, including fees in advance	2023	2022
	£	£
Brought forward at 1 September 2022	544,250	468,847
Resources deferred in the year	500,727	544,250
Resources released to SOFA in year	(544,250)	(468,847)
	<hr/>	<hr/>
Deferred Income at 31 August 2023	500,727	544,250
	<hr/>	<hr/>

Deferred income reflects amounts charged to parents in respect of fees in lieu of notice relating to the Autumn Term 2023. Fees in advance reflects payments received from parents ahead of the due date.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

8. Creditors: Amounts falling due after more than one year	2023	2022
	£	£
Fee deposits:		
Between 2-5 years	125,050	82,050
More than 5 years	113,000	97,100
Deferred income:		
Between 2-5 years	11,500	11,500
	<u>249,550</u>	<u>190,650</u>
 Deferred income, including fees in advance	 2023	 2022
	£	£
Brought forward at 1 September 2022	11,500	-
Resources deferred in the year	-	11,500
Resources released to SOFA in year	-	-
	<u>11,500</u>	<u>11,500</u>
 Deferred Income at 31 August 2023	 <u>11,500</u>	 <u>11,500</u>

Deferred income reflects amounts received from parents who gave early notice to defer their children's places until September 2024 and for whom the amounts already received will be used to pay their daughters' first term's fees when they arrive.

9. Provisions for Liabilities

An amount of £24,000 was provided for as at 31 August 2022 in respect of work required to the exterior brickwork of the school building, which will commence in 2023-24.

	2023	2022
	£	£
Brought forward at 1 September 2022	24,000	-
Charged to SOFA in year:	-	24,000
	<u>24,000</u>	<u>24,000</u>
 Provision for liabilities at 31 August 2023	 <u>24,000</u>	 <u>24,000</u>

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

10. Restricted and unrestricted funds

	Balance at 1 September 2022 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2023 £
Unrestricted funds:					
General funds	1,271,816	3,884,447	(4,045,196)	128,451	1,239,518
Tangible fixed assets fund	3,289,648	-	-	(128,451)	3,161,197
	<u>4,561,464</u>	<u>3,884,447</u>	<u>(4,045,196)</u>	<u>-</u>	<u>4,400,715</u>
Restricted funds:					
Donations	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,561,464</u>	<u>3,884,447</u>	<u>(4,045,196)</u>	<u>-</u>	<u>4,400,715</u>

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 2022-23 and 2021-22, the restricted funds were donations made and used for the purposes of funding bursaries (the expenditure of which is also shown within incoming resources).

For comparative purposes the movement on funds in 2021-22 were as follows:

	Balance at 1 September 2021 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2022 £
Unrestricted funds:					
General funds	1,249,975	3,919,333	(4,121,878)	224,386	1,271,816
Tangible fixed assets fund	3,514,034	-	-	(224,386)	3,289,648
	<u>4,764,009</u>	<u>3,919,333</u>	<u>(4,121,878)</u>	<u>-</u>	<u>4,561,464</u>
Restricted funds:					
Donations	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,764,009</u>	<u>3,919,333</u>	<u>(4,121,878)</u>	<u>-</u>	<u>4,561,464</u>

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023**

11. Operating leases

	2023	2022
	£	£
Hire of equipment		
Total of future minimum lease payments under non-cancellable operating leases:		
Payments due within one year	7,303	7,274
Payments due in one to two years	3,552	7,104
Payments due in two to five years	-	3,552
	7,303	17,930

12. Pensions

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £309,683 (2022: £308,517). At the year-end £34,617 (2022: £39,272) was accrued in respect of contributions to this scheme.

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and following a public consultation in 2021 the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2023

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

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

Defined Contribution Schemes

Defined Contribution Scheme for Teachers (DCforT)

Following consultation in 2021-22 with teachers regarding the School's continued participation in the TPS for its teaching staff, the School has entered into a phased withdrawal of the School from the TPS from 1 September 2022. A new defined contribution scheme has been established for teachers who are employed from 1 September 2022 and for existing teachers who wish to opt out of the TPS and join this scheme. The cost for the year represents the School's contribution to the scheme of £5,589 (2022: £nil). At the year-end £317 (2022: £nil) was accrued in respect of contributions to this scheme.

Defined Contribution Scheme for other staff

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 19% of an employee's salary, dependent on length of service. The cost for the year represents the School's contribution to the scheme of £51,457 (2022: £50,854). At the year-end £6,979 (2022: £7,049) was accrued in respect of contributions to this scheme.

13. Related party transactions

There were no related party transactions in the year other than the Governors' expenses disclosed in note 3. Mrs H Connor-Earl was given flowers and a bench for her new garden by the Trustees and Governors on the occasion of her leaving the school after seven years of dedicated service and a modest dinner was enjoyed with her to wish her well for the future. The Trustees and Governors also gathered for a modest lunch with Mr Kevin Murphy to thank him for his many years of service to the School following his retirement as a Trustee at the end of the academic year 2021-22.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2023

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

	2023	2022
	£	£
Net (outgoing) resources	(160,749)	(202,545)
Add: Depreciation	193,410	233,007
Less: Investment income and bank interest	(33,379)	(236)
(Increase)/decrease in debtors	(48,068)	9
Increase/(decrease) in creditors	73,635	(20,465)
	<hr/>	<hr/>
Net cash provided by operating activities	<u>24,849</u>	<u>9,770</u>

