

Charity registration number 1022427

Company registration number 00838325 (England and Wales)

THE HAMMOND SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

THE HAMMOND SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K H Cowell J M Devoy C E Penny D A Silcock A Sutton P J Edgington A F McGladrigan I Wynne-Smythe K Newsam	(Appointed 29 April 2023)
Secretary	J M Devoy	
Principal	J Roscoe	
Charity number	1022427	
Company number	00838325	
Registered office	Hoole Bank House Mannings Lane Chester CH2 4ES	
Auditor	Champion Accountants LLP 2nd Floor Refuge House 33-37 Watergate Row Chester CH1 2LE	

THE HAMMOND SCHOOL LIMITED

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THE HAMMOND SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2023

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

We present the Annual Report and Accounts for the Academic year 2022/2023. The directors' report is included as part of the annual accounts as required by company law. The accounts were approved by the board at the Annual General Meeting on 7 December 2023.

Directors' Report

This is indeed a year to celebrate. The school continues to grow and flourish. The school roll in September 2022 was 334, despite the post pandemic challenges, the cost of living stress on budgets and the overall economic climate, parents and guardians showed confidence in the Hammond, recognising it as the best possible destination for their child's education and development. The higher than anticipated school roll was due in no small measure to the work done to review, revise and enhance our curriculum offer for students linked with our re-branding process included visual enhancements to the school's image, but most importantly demonstrating and articulating clearly the vision and values of the Hammond with a focus on **'to learn, to perform and to aspire'**.

During the academic year, The Hammond has hosted a series of productions in dance, musical theatre and theatre arts, these have been outstanding. More information on the productions can be found in the Principal's Review of the Year.

The Hammond has been supporting the development of hugely successful students for over a century, growing and developing, changing and adapting, ensuring our graduates meet the rigorous demands of the performing arts industry or are able to excel in a range of fields which utilise their extensive skillset a Hammond education equips students with.

Destinations for graduating students, both Diploma and Degree, remain highly impressive. A considerable number of Hammond students now perform in professional shows throughout the world including the West End, tours across Europe, USA, Australia and international cruises. The Hammond is very proud of their final year students, with a high percentage gaining employment prior to their graduation.

GCSE and A Level students sat public examinations in 2023. As well as continuing to achieve high standards in its performing arts education, the Hammond maintains the highest academic standards as demonstrated by the 2023 examination results. The dedication of teaching staff, working in close partnership with parents, ensured students were well-prepared, confident, and offered the best possible opportunity to succeed.

As a Board, we take very seriously, our role, both in terms of safeguarding and our holistic approach to the wellbeing of our students. The Hammond's 'Every Body' movement, launched back in 2021, continues to grow and evolve, led by Hammond Parliament students it is very much in response to the demands placed on young people in the performance industry.

As a Board we are always keen to hear the voice and opinions of our students. We start every board meeting with a presentation from a group of our students. This may take the form of a performance or a discussion about how we as a board can work to enhance their experience as students. During the year we have made several changes in response to the mature and informed views of our student groups.

Of course, as a Board we actively managed our finances. The school continues to be supported by a range of funding schemes. For the BA course, the Higher Education Funding Council of England (HEFCE), in respect of the Chester University accredited BA degree course in Musical Theatre Performance. The Music and Dance Scheme (MDS) awards, which comes directly from the Department for Education, provides funding for the lower school, and the Dance and Drama Award (DaDA) which comes from the Education Funding Agency supports the school's post-16 provision.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

This year as previously mentioned the board has allocated funds to update areas and fabric of the estate. I put on record the thanks and appreciation of the Board of Directors to our facilities team for the amazing dedication, resilience and skills they demonstrated under tight time scales to have the extensive renovation work completed on our original boarding houses. The Board agreed to the £1.0m renovation project in January 2023 following an annual review of the boarding provision and have worked closely with Barclays to secure the funding necessary to achieve this. The refurbished boarding houses were ready for our students at the start of the new academic year.

The team also continued with the programme of work on the school site to ensure our building are safe and fit for purpose. During the summer break a programme of decorating and upgrading was completed together with preparatory work to have the foundations ready to receive the new health and wellbeing centre due to come on line in the early part of 2024.

We continue to enjoy a good relationship and support from our bankers. Barclays Bank have been an active and supportive partner in the delivery of our revised Estate Strategy.

Yet again in the preparation of this Annual Report, I am reminded of the continued excellence and reputation of The Hammond. The directors recognise that it is the hard work, commitment and dedication of the colleagues who work at the school who make this possible. As a Board we respect the professionalism, hard work, and dedication to help students fulfil their goals and ambitions.

History and Development

As a Board we are ever mindful of the history and traditions of the school. The Hammond provides a strong foundation for entry into professional life in the Performing Arts.

The school comprises 3-year groups from the age of 11 to 16 (the school) and, in addition to the provision of the full national curriculum key stage 3 and 4 subjects, broadens the music and dance curriculum further. A similarly extensive range of extra-curricular activities is offered to our school students.

The College takes boys and girls aged 16+. In addition to their vocational training students are offered a wide range of educational options, again of the highest standard, for those students who wish to continue to pursue further academic qualifications.

Our 18+ provision offers a BA Honours Course linked with the University of Chester.

Objectives and activities

The Hammond continues to provide education for young people and in the performing arts. It gives students the opportunities to develop the skills, knowledge and confidence necessary for their future for its pupils aged between 11 and 21 plus.

The school's caring and supportive ethos, where the welfare and development of the individual is of the utmost importance, is one of its real strengths. This together with the school's enviable academic and specialist dance, music and drama results place it in a pre-eminent position within the region. The school attracts both local day students and boarders from all parts of the UK, and several international students.

Our school continues to welcome pupils from all backgrounds. An individual's economic status, gender, ethnicity, race, religion, or disability do not form part of our entrance assessment criteria. It is important to us that access to the education we provide is not restricted to those who can afford fees. Our Bursary Policy enables access by children of families who might otherwise not be able to afford the fees and our Outreach Programme enables access to our facilities by the wider community.

The school operates a limited bursary policy. The school's board and senior management team assess students for grant funding and other financial support, on a case-by-case basis, taking into account both the student's talent and the financial circumstances of the family. The aim is to ensure that the policy of welcoming students from all backgrounds described above, is met.

The school continues to produce well-educated, rounded individuals, with the life skills to take their places as contributory members of society. Self-discipline and self-motivation are stressed and the school expects the students to be its ambassadors, setting high standards of behaviour in the eyes of the general public.

THE HAMMOND SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Every pupil attending The Hammond School receives a high-quality academic education, tailored to the individual. Dance students have full vocational training, specialising as necessary, according to the talents and aspirations of the individual. Drama students are offered an extensive and varied drama supplement to their general academic education. Dance, music and drama students have regular opportunities to perform publicly and to develop their individual talents fully.

The school works closely with all parents and actively involves them in the progress of their children. The Parent Teacher and Friends Association is an important body in this respect. The school also seeks to ensure that equal opportunities are available to all staff for training, professional development and promotion. The school complies with disability legislation. All the School's activities are undertaken with due regard to the wider public benefit. More information on significant activities to achieve these objectives can be found in the Principal's Review of the Year.

Principal Risks and Uncertainties

The Hammond, like any other organisation, is subject to a range of potential risks and uncertainties which can have an impact on future performance to a greater or lesser degree. Of these risks and uncertainties some cannot be anticipated and as a result, no financial management tool can cater for these. However, identifying risks and planning for uncertain future events enables the organisation to react more quickly to mitigate risks when they arise as well as reducing the risk in the first instance.

During the year the board has continued to develop and embed systems of internal control and risk management which are designed to provide an effective governance framework to protect the school's assets and reputation.

The board has continued its annual review of the school's business plan to identify the risks to which it is exposed and to identify the systems and procedures in place to mitigate those risks. Internal controls have been implemented and each year the effectiveness of those controls will be reviewed. As well as an annual review, the board will also consider during the course of the year any risks which might emerge as a result of new areas of work being undertaken by the school.

The work currently being undertaken by the school specifically regarding the business plan has confirmed that the key risks and uncertainties identified in previous years remain unchanged. These are set out below together with the actions taken or planned to mitigate the financial impact.

- Reduction in student numbers. The school continues to adapt its strategies to this challenge, with significant success over the last 3 years.
- The successful launch of the BA course, in conjunction with the University of Chester, has been a significant boost to school numbers. Work is ongoing to continuously improve the offering of the Hammond, to ensure a continued flow of undergraduates.
- Reductions in available grant funding is a major threat, as scholarships funding is subject to political and social changes. In the short to medium term, funding of talented but underfinanced individuals, by central Government, looks relatively secure. The school is however looking to build up its Bursary funding to offer additional support or alternatives to Government funding, in the future.
- Supply and cost of staff. The school relies on a smaller pool of suitably qualified specialist staff than the mainstream education sector, and so may be more at risk in this area. Despite this, the Hammond continues to attract a steady supply of high-quality staff.
- The current cost of living crisis and economic challenges have been added to our risk register.
- Financial: The school has a very favourable loan facility (base rate +0.95%) of just under £2m, fixed in 2008 for 25 years. Increases to the bank base rate would quickly increase interest payments and represents a risk.
- A General Election within the next year may bring a change of policy for schools of performing Arts and Charities.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

These are the principal risks to the school. The Board believes that the foregoing narrative demonstrates that it is doing everything possible at present to mitigate the key risks which are reviewed in full half yearly at board away days. At the same time the Board uses these meetings to review operational excellence and delivery against the 5-year strategic plan.

Challenges and Opportunities

The board identifies the challenges as stated above however it considers there are opportunities available to the school including, increased revenue funding from existing providers, targeted pupil growth with expanded boarding facilities, and general continued rationalisation of costs. The board is also reviewing how we tap into the potential of Alumni Membership and sponsorship to further enhance the reputation of the Hammond.

Achievements and performance

The school is recognised as a Centre of Excellence within the Government's Music and Dance Scheme (MDS). This recognition, among other things, enables the school to help highly talented young people from a wide range of backgrounds to realise their potential.

The school remains committed to increasing its involvement in a wide range of community-based projects. These projects, which cover a range of activities and vary considerably in size, are very beneficial to both the local and wider community as well as being extremely rewarding for the staff and students who take part. Hammond pupils and students continue to support several charities through a variety of fund-raising events, such as local hospice charities, Save the Family, and organisations that support the mental health of young people. We also continue to work closely with Cheshire Young Carers. The Hammond also works closely with Passion for Learning charity and Royal Manchester Children's Hospital.

This Annual Report allows the directors the opportunity, once again to express their thanks and appreciation to all the colleagues for the work carried out within the school. The development and achievement of the students and the resulting reputation of The Hammond would not be possible without the hard work, enthusiasm and commitment willingly given by our exceptional team. This is something which I as the Chairman and my colleague Board of Directors recognise. We are immensely grateful to them.

The Directors regularly review the school's business plan both at board and sub-committee level. The detailed management information, forecasts and supporting documentation is an on-going part of the directors' robust financial and strategic plan for the school in the short to medium term.

The school retains a close working relationship with its bankers who are supportive of the school's plans to continue to improve the provision to our students.

Financial review

The financial year to 31 July 2023 has been one of growth and investment.

Total income, including grant monies received was £5.38m compared to £5.02m in 2022. Student numbers increased from 321 to 335.

Total staff costs were £2.93m in the year to 31 July 2023, overheads increased by £140k in the year to £2.23m. The financial position over the last five years is summarised below:

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Pupil numbers	335	321	331	324	334
Income	5,381	5,024	4,776	4,887	5,113
Grants received	1,807	1,844	1,847	1,908	1,839
Income less grants	3,574	3,180	2,929	2,979	3,274
Salaries	2,932	2,732	3,134	2,962	3,027
Overheads	2,225	2,086	1,564	1,474	1,785
Operating profit/(loss)	224	206	78	451	301
Interest payable	-77	-30	-26	-36	-44
Net profit/(loss) for the year	147	176	52	415	257
	£	£	£	£	£
Ave. contribution/pupil	10,669	9,907	8,849	9,194	9,802

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Reserves

The net assets of the school stood at £3.04m at the end of the year, an increase of £1.04m compared to last year's balance of £2.00m. Restricted funds accounted for £12,285.

The Directors are very conscious of the requirement to continually review the reserves and assets of the School and maintain a target of reserves accounting for 6 months operating costs. The Hammond's reserves currently account for 6.9 months of operating costs. The directors maintain their vigilance over the School's finances by reviewing a monthly finance report, which includes management accounts and cash reporting. The monthly results are reviewed at board and board sub-committee level with reference to the regularly updated rolling 3-year forecast.

Bank balances

The School ended the year with an overdrawn balance of £278k, compared to a bank balance of £47k at the end of the last financial year. Outstanding mortgage debt at year-end was £1.52m.

Forecasts

The school maintains a rolling 3-year profit and cash flow forecast which is used by the senior management team and board to monitor actual performance against forecast. The forecast is prepared using a rigorous methodology consistently applied from year to year.

The forecasting methodology used in the last three years has significantly assisted in obtaining and managing the finance required to complete the capital projects discussed above.

The board of directors retains its commitment to this financial management process and is continually looking at ways to further refine and develop these processes.

Fundraising Activities

The Trustees of School wish to thank the continued support of the PTFA who are unstinting in their work to support the school.

Material Financial Expenditure

This year the Board undertook a substantial refurbishment of the Boarding House. The cost of which was incurred in part in FY22/23.

Plans for the Future

The Board has continued its review of the estate strategy. We recognise that with the increasing number of students there is pressure on our existing accommodation. The Board is keen to ensure that any short-term solutions do not adversely impact on the medium- and long-term plans to improve our real estate.

- Continued improvements and updates to facilities, equipment, and teaching, to provide the best possible learning experience, across all ages in the school. Specific attention is currently being given to the long-term School boarding provision;
- Development of options to significantly enhance boarding accommodation.
- Continually review pupil numbers to maintain the unique nature of the school.
- Maintaining a watching brief for opportunities to further grow the school in a range of ways;
- Continued close involvement of the wider community to present the Hammond Experience to an ever-increasing audience, through Productions, Outreach activities, summer school, Hammond Youth Theatre and Hammond Associates.

THE HAMMOND SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Structure, governance and management

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association of the company and the Statements of Recommended Practice for Accounting and Reporting by Charities (effective January 2015).

The Senior Management Team is responsible for presenting the School's existing short, medium and long-term strategic plans to the Directors for approval.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

K H Cowell

J M Devoy

C E Penny

D A Silcock

A Sutton

A M Caldwell

(Resigned 28 April 2023)

P J Edgington

A F McGladrigan

I Wynne-Smythe

K Newsam

(Appointed 29 April 2023)

The Board of Directors is responsible for the appointment of additional Directors, and in doing so seeks individuals with appropriate experience and interest to provide the board with the necessary skills and outlook required. In response to a recommendation in the recent Inspectors Report we have recruited a new Director with experience in the performing arts arena. New Directors have a formal induction process, and School policies are made available to all Directors.

The directors have a formal risk management process to assess business risks and implement risk management strategies. This is discussed more fully in the concluding section of this report.

The charity's internal financial and management controls conform to the current SORP requirements and to operational guidelines issued by the Charity Commission.

Financial Management and Control

The day-to-day financial operation of the school, the implementation of its budgets, application of the relevant internal controls and preparation of regular financial information is the responsibility of the Finance department of the school, led by the Head of Finance under the supervision of the finance sub-committee which constitutes two directors, an external finance expert, the principal, the Head of Finance and members of the finance department.

The monthly reporting structure used in previous years continues to be employed.

The pay of the school's senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in its peer educational establishments. The Trustees believe that this policy is currently appropriate with successful recruitment in a challenging environment. However, should this change, this benchmark would be reviewed by the Board and senior management team.

THE HAMMOND SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Statement of Trustees' responsibilities

The trustees, who are also the directors of The Hammond School Limited for the purpose of company law, are responsible for preparing the 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Champion Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

THE HAMMOND SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

PRINCIPAL'S END OF YEAR REPORT

The Hammond commenced the 2022-23 academic year in September with the largest school, college and degree roll in its history: an achievement even more significant when considering external economic fluctuations and challenges.

The Hammond launched a comprehensive re-branding package at the beginning of the year, which was developed in parallel with course and curriculum developments designed to ensure Hammond training and education is cutting-edge and most relevant for students preparing for a career in the creative arts. Regular quality assurance ensures continuous monitoring and evaluation. The re-branding process included visual enhancements to the school's image, but more importantly vision and value re-organisation with a focus on 'to learn, to perform and to aspire'. The Hammond's new vision statement was:

The Hammond exists to inspire, nurture, and educate the next generation of performers by fostering a culture of excellence, curiosity, storytelling, and innovation.

Developing healthy, confident, and life-long learners able to thrive in an ever-changing performance landscape, regardless of social, cultural, or financial background.

The Hammond's School, Diploma and Degree courses are crafted to train students to the highest possible standard by promoting technical, artistic, and creative excellence. The courses prepare students for a successful, healthy, and sustainable career in the creative industries, imparting the knowledge, discipline, skills, and versatility to be competitive, independent, resilient, and highly employable performers. In 2022-23, curriculum provision has been enhanced through further specified and specialist subject provision to strengthen training and employability, as well as emotional and mental fitness. This has been amplified through the creation of the Industry and Outreach Team which comprises a team of specialist industry leaders, working with outside experts, designed to increase skill acquisition and versatility, and also through enhancements to the curriculum, such as focused tutorials and wellness classes as part of the personal development curriculum. An inspection recommendation was to enhance student metacognition in journals and note-books; this has been achieved through a transformation of the contextual studies unit of learning and oversight of senior leaders to develop out of class learning and research.

Students benefit from a range of additional qualifications, including GCSEs, A Levels, Level 3 BTECs, the DDE qualification, LAMDA Gold, and the London College of Music awards as well as more varied external performance opportunities. To support students at point of entry, the audition process has been enhanced to support idiosyncrasies of courses.

Documentation of student destination supports the ongoing development of the quality of professional performance education and training. In 2022-23 all students Diploma were awarded the Trinity Level 6 diploma (one pending) and 90% offered agency representation (remaining students embarked on professional contract, four of which in employment prior to the end of the academic year). In 2023, all Theatre Arts Advanced students were awarded places at prestigious drama schools, including GSA and RADA. In the same time period, all school pupils transitioned to further vocational training (many remaining at The Hammond) or to local comprehensive schools to undertake A Level and BTEC courses.

Additionally, a change in structure within the leadership team has enabled heightened monitoring and quality assurance of teaching and learning, especially in relation to stretch and challenge for the more able as well as more focused SEND provision (2021 ISI recommendation). Senior leaders have developed an internal training system for all colleagues to enhance pedagogy, especially in the areas of metacognition, retrieval practice and higher order thinking skills. This package has been developed through a re-launched CPDL programme, teaching and learning action research groups, and staff mentoring. GCSE results in the aforementioned time period have been significantly above the national average with the following metrics of note: GCSE: 100% pass rate (2021, 2022, 2023) GCSE: (% of pupils with 5 or more GCSEs graded Level 4 or above) 2021: 97%, 2022: 100%; 2023: 97%.

Controlled and considered capital expenditure allowed the school to review its facilities provision to mirror the online and curriculum enhancements, with new study areas created for students as well as aspirational visual aesthetics to capitalise on the intrinsic motivation of students. Quiet study areas, the development of IT facilities, catering changes, provision enhancement have all worked to further enhance the experience of Hammond students.

THE HAMMOND SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

The Autumn Term also saw the embedding of the, now 12-month-old, reformed and restructured boarding team, led by a new Head of Boarding and a new Assistant Head of Boarding. The fundamental change was the residential status of boarding staff, thereby enabling a more homely and traditional feel to the boarding environment. The experience of boarders, as evidenced through student voice and parental feedback, is transformational; boarders now have a team of qualified and dedicated professionals to assist them with their daily needs.

We continue to work in partnership with the University of Chester in relation to boarding accommodation and made outstanding progress regarding regards longer-term boarding accommodation. I am pleased to say that the sound financial management and control that has been embedded over the last few years had enabled us to deal with these issues within our existing resources, as in January 2023, the school conducted an annual review of the boarding provision and worked closely with Barclay's bank to secure finances to renovate original boarding houses. In the summer term, The Hammond's estates team worked diligently to ensure boarders were able to move out of one of the university-owned houses and back into The Hammond's original boarding houses. We are thrilled at the progress made, and parent and student feedback has validated the decision.

The school retains the support of Barclays Bank who we see as an important partner in the School. Their continued support for both current and future projects is much appreciated.

The school continues to receive three government funding streams. The Dance and Drama Award (DaDA) from the Education Funding Agency supports the school's post-16 provision while the Music and Dance Scheme (MDS) which comes directly from the Department for Education, does the same for under-16s. Thirdly the Higher Education Funding Council of England (HEFCE), in respect of the Chester University accredited BA degree course in Musical Theatre Performance.

Previous reports have highlighted the pressure on the extended school site in terms of available studio and classroom space. The Hammond's estates team has been instrumental in providing solutions to studio space by reassigning curriculum areas and being creative as regards timetabling. This is still an area of focus, especially as The Hammond explores the growth of some courses and the instigation of others.

I also continue forge strong relationships with the Principals and Headteachers of the other MDS-funded performance schools; I continue to act as Vice Chair of the MDS Head Teachers group. These relationships help further align The Hammond with schools similar to ours, enabling the sharing of good practice, including, amongst other things, participating in safeguarding conferences.

The Hammond's relationship with the University of Chester continued to grow in 2022-23, leading to the revalidation of the Musical Theatre Performance course which was further enhanced through curriculum changes designed to offer students more opportunities upon graduation. Applications for the course were the highest on record and included high quality students. The Hammond was given the opportunity to further refine the course and undertook an extensive and meticulous re-writing of the course in 2021-22, with 2022-23 being the initial year of the adapted course.

The Spiring and Summer terms hosted a series of outstanding productions in dance, musical theatre, and theatre arts. The professionalism of all involved was wonderful and again reminded us of the immense talent at The Hammond; productions such as 'Urinetown' and '9 to 5' again demonstrated the West-End quality of student training as well as the world-class creativity of teaching and support staff. The degree students performed the challenging and controversial musical 'Jesus Christ Superstar' which again highlighted the maturity of the degree course and was highly praised by critics and audiences. The Hammond's two exclusive dance performances again demonstrated the growth and development of the dance provision, and how students and staff truly are at the top of their game.

Destinations for graduating students, both Diploma and Degree, remain highly impressive. The Hammond's graduate development team continue to advise and support destinations; for 2023 these include: cruise ship contracts (featured singers and dancers), employment in professional dance companies within the UK and Europe, further professional training, PGCE training (The Hammond again welcomed a graduate from the degree course to commence teacher training within the Theatre Arts department).

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

GCSE and A Level students sat public examinations in 2023. The dedication of teaching staff, working in close partnership with parents, ensured students were well-prepared, confident, and offered the best possible opportunity to succeed. Results were outstanding and again significantly above the national average. One key metric of GCSE results is the percentage of students who achieve five or more GCSEs graded Level 4 or above: all Hammond students achieved this metric.

Hammond's Every Body movement continues to grow and evolve, led by Hammond Parliament students it is very much in response to the demands placed on young people and young people in the performance industry. The movement has developed with student leadership and again demonstrates how forward-thinking, innovative, and caring The Hammond is. Crucially, we listen.

The Hammond continues to work closely with partners in the local area, including the Cheshire West and Chester Safeguarding team. In June, the team was invited to complete a safeguarding 'health check' by reviewing all elements of safeguarding policies and procedures. We are delighted to advise that the team praised all aspects of our provision and made no recommendations.

The Hammond also welcome the inspection team from the Independent School's Inspectorate in July 2023. Again, the team highly praised all aspects of the school's provision, passed all compliance areas, and made no recommendations.

Senior leaders at The Hammond continue to work in close partnership with The Hammond's Board of Directors, who are hugely supportive of the strategic direction of the school and also fundamental in challenging and quality assurance.

It is a privilege to lead The Hammond, and I am delighted to have such a strong, positive, and expert team to guide and nurture. All educators are aware of the challenges ahead, and I am optimistic we will inspire and thrive.

Jennifer Roscoe
Principal

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Public Benefit

In setting The School's objectives and planning its activities the Directors have given careful consideration to the duty placed on them by Section 17(5) of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission and in particular to its supplemental guidance on advancing education and on fee charging.

Specifically, the Directors take every step to ensure that the intake, activities and achievements of the school are focussed on maximising the benefit, to both the students and the wider community, of the academic, pastoral and social activities of the school. The Board of Directors regularly reviews the School's activities in this regard as part of its monthly meeting.

The Trustees' report was approved by the Board of Trustees.



K H Cowell

Chairman

Dated: 9/12/23

THE HAMMOND SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HAMMOND SCHOOL LIMITED

Opinion

We have audited the financial statements of The Hammond School Limited (the 'charity') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 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 July 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 charity 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 charity'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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

THE HAMMOND SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HAMMOND SCHOOL LIMITED

Matters on which we are required to report by exception

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

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

- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit is considered capable of detecting irregularities, including fraud

The responsibility for the prevention and detection of irregularities, including fraud, lies with the trustees and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

THE HAMMOND SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HAMMOND SCHOOL LIMITED

Audit procedures

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

We consider the applicable laws and regulations to be the financial reporting framework (FRS 102 and the Companies Act 2006), Charity Law, the relevant tax regulations in the UK, employment law, the Health and Safety at Work Act 1974 and Safeguarding legislation.

We consider the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of reports from regulators; review of minutes of meetings of those charged with governance; review and testing of manual journals, relevant nominals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.



Susan Harris MA ACA (Senior Statutory Auditor)
for and on behalf of Champion Accountants LLP

7 December 2023

Chartered Accountants
Statutory Auditor

2nd Floor Refuge House
33-37 Watergate Row
Chester
CH1 2LE

THE HAMMOND SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:							
Donations and legacies	3	-	-	-	7,801	-	7,801
<u>Charitable activities</u>							
School fees and associated income	4	5,256,242	-	5,256,242	4,881,562	-	4,881,562
Other income	5	125,005	-	125,005	134,667	-	134,667
Total income		<u>5,381,247</u>	<u>-</u>	<u>5,381,247</u>	<u>5,024,030</u>	<u>-</u>	<u>5,024,030</u>
<u>Charitable activities</u>							
Charitable activities	6	5,231,365	2,172	5,233,537	4,846,318	1,889	4,848,207
Other expenditure	11	535	-	535	-	-	-
Total expenditure		<u>5,231,900</u>	<u>2,172</u>	<u>5,234,072</u>	<u>4,846,318</u>	<u>1,889</u>	<u>4,848,207</u>
Net income/(expenditure)		<u>149,347</u>	<u>(2,172)</u>	<u>147,175</u>	<u>177,712</u>	<u>(1,889)</u>	<u>175,823</u>
Other recognised gains and losses:							
Revaluation of tangible fixed assets		888,747	-	888,747	-	-	-
Net movement in funds	8	<u>1,038,094</u>	<u>(2,172)</u>	<u>1,035,922</u>	<u>177,712</u>	<u>(1,889)</u>	<u>175,823</u>
Reconciliation of funds:							
Fund balances at 1 August 2022		<u>1,988,705</u>	<u>14,457</u>	<u>2,003,162</u>	<u>1,810,993</u>	<u>16,346</u>	<u>1,827,339</u>
Fund balances at 31 July 2023		<u><u>3,026,799</u></u>	<u><u>12,285</u></u>	<u><u>3,039,084</u></u>	<u><u>1,988,705</u></u>	<u><u>14,457</u></u>	<u><u>2,003,162</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE HAMMOND SCHOOL LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		6,049,804		4,445,386
Current assets					
Debtors	14	1,156,517		217,442	
Cash at bank and in hand		1,632		46,871	
		1,158,149		264,313	
Creditors: amounts falling due within one year	15	(2,733,463)		(1,548,256)	
Net current liabilities			(1,575,314)		(1,283,943)
Total assets less current liabilities			4,474,490		3,161,443
Creditors: amounts falling due after more than one year	16		(1,435,406)		(1,158,281)
Net assets			3,039,084		2,003,162
Income funds					
Restricted funds	19		12,285		14,457
<u>Unrestricted funds - general</u>					
Designated funds	20	22,710		18,165	
General unrestricted funds		3,533,816		4,384,772	
Share capital		10,000		10,000	
Revaluation reserve		(1,428,474)		(2,424,232)	
			3,026,799		1,988,705
			3,039,084		2,003,162

The financial statements were approved by the Trustees on 7/12/23



K H Cowell
Trustee

Company Registration No. 00838325

THE HAMMOND SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	25		528,841		439,659
Investing activities					
Purchase of tangible fixed assets		(757,416)		(38,121)	
Net cash used in investing activities					
			(757,416)		(38,121)
Financing activities					
Repayment of bank loans		(94,457)		(132,116)	
Net cash used in financing activities					
			(94,457)		(132,116)
Net (decrease)/increase in cash and cash equivalents					
			(323,032)		269,422
Cash and cash equivalents at beginning of year			46,871		(222,551)
Cash and cash equivalents at end of year					
			(276,161)		46,871
Relating to:					
Cash at bank and in hand			1,632		46,871
Bank overdrafts included in creditors payable within one year			(277,793)		-

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Charity information

The Hammond School Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hoole Bank House, Mannings Lane, Chester, CH2 4ES.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants are recognised in the period in which they are received.

School fees and similar income are accounted for in the period to which they relate. Fees receivable are stated after deducting allowances and Bursaries allowed by the School.

Bank interest is recognised in the period in which it is receivable.

Rental income is recognised in the period in which it is due.

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is charged on an accruals basis and is inclusive of VAT where appropriate.

Due to the nature of the charity, all expenditure is currently considered to be expenditure on charitable activities and therefore the governance costs are all apportioned to this area.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	See below
Plant and equipment	10% per annum reducing balance basis
Fixtures and fittings	10% per annum reducing balance basis
Computers	25% per annum straight line basis
Motor vehicles	25% per annum reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold land and buildings (including new buildings), some of which are listed properties, are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Valuations are undertaken on a regular basis, with a formal valuation every five years, to ensure that the carrying amount does not differ materially from the fair value. Gains and losses on revaluation are recognised in the SOFA. The directors do not consider it appropriate to depreciate such buildings as they do not consider that the depreciation would be material having regard to the life of the assets. In addition to the costs of minor repairs, which are written off as incurred, provision is made for major repairs which are likely to arise in the future. An impairment review is carried out annually by the charity.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Grants	-	7,801
Grants receivable for core activities		
CJRS grant	-	7,701
Other	-	100
	-	7,801

4 Charitable activities

	School fees and associated income 2023 £	School fees and associated income 2022 £
School fees and associated income	5,256,242	4,881,562

5 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rent received	125,005	134,667

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

6 Charitable activities

	Education 2023 £	Education 2022 £
Staff costs	2,931,644	2,732,110
Depreciation and impairment	41,210	35,091
Production costs	214,524	176,333
School books and equipment	43,763	42,432
Exam fees	56,908	57,846
Telephone	14,081	25,327
Printing, postage and stationery	19,844	13,295
Licenses	16,797	15,950
Catering and cleaning contract	607,536	532,934
Motor expenses	3,897	5,231
School transport	104,854	106,267
School trips	99,362	50,471
General expenses	39,022	46,076
Degree course expenses	177,026	247,185
Subscriptions and donations	19,133	16,672
	<u>4,389,601</u>	<u>4,103,220</u>
Share of support costs (see note 7)	727,189	655,939
Share of governance costs (see note 7)	116,747	89,048
	<u>5,233,537</u>	<u>4,848,207</u>
Analysis by fund		
Unrestricted funds - general	5,231,365	4,846,318
Restricted funds	2,172	1,889
	<u>5,233,537</u>	<u>4,848,207</u>
For the year ended 31 July 2022		
Unrestricted funds - general	4,846,318	
Restricted funds	1,889	
	<u>4,848,207</u>	

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

7 Support costs allocated to activities

	2023 £	2022 £
Operating lease charges	11,049	10,984
Rent and rates	314,995	309,874
Insurance	30,389	27,490
Light and heat	123,235	118,609
Repairs and renewals	60,337	41,267
Ground maintenance	27,899	28,991
Cleaning	16,399	32,104
Advertising and marketing	19,873	33,137
Recruitment	21,061	14,944
Bad debts	25,022	8,240
Bank loan interest	76,930	30,299
Governance costs	116,747	89,048
	<u>843,936</u>	<u>744,987</u>

Analysed between:

Charitable activities	<u>843,936</u>	<u>744,987</u>
-----------------------	----------------	----------------

	2023 £	2022 £
Governance costs comprise:		
Audit fees	14,126	14,449
Legal and professional	91,772	59,254
Bank charges	10,849	15,345
	<u>116,747</u>	<u>89,048</u>

8 Net movement in funds

	2023 £	2022 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	14,126	14,449
Depreciation of owned tangible fixed assets	41,209	35,090
Loss on disposal of tangible fixed assets	535	-
Operating lease charges	<u>11,049</u>	<u>10,984</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Full time	61	63
Part time	44	47
	105	110
	105	110

The average number of full-time equivalent employees during the year was:

Teaching	50	52
Non-Teaching	29	36
	79	88
	79	88

Employment costs

	2023 £	2022 £
Wages and salaries	2,622,820	2,451,567
Social security costs	242,524	220,640
Other pension costs	66,300	59,903
	2,931,644	2,732,110
	2,931,644	2,732,110

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	-	-
£80,000 - £90,000	1	-
	2	1

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

11 Other

	Unrestricted funds general 2023	Total £ 2022
Net loss on disposal of tangible fixed assets	535	-

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost or valuation						
At 1 August 2022	4,150,000	169,328	862,180	281,106	31,762	5,494,376
Additions	662,755	57,838	28,813	8,010	-	757,416
Disposals	-	-	(2,237)	-	-	(2,237)
Revaluation	888,747	-	-	-	-	888,747
At 31 July 2023	5,701,502	227,166	888,756	289,116	31,762	7,138,302
Depreciation and impairment						
At 1 August 2022	-	71,926	677,443	268,610	31,012	1,048,991
Depreciation charged in the year	-	13,624	20,713	6,685	187	41,209
Eliminated in respect of disposals	-	-	(1,702)	-	-	(1,702)
At 31 July 2023	-	85,550	696,454	275,295	31,199	1,088,498
Carrying amount						
At 31 July 2023	5,701,502	141,616	192,302	13,821	563	6,049,804
At 31 July 2022	4,150,000	97,402	184,736	12,498	750	4,445,386

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

13 Tangible fixed assets

(Continued)

The accounting policy with regard to freehold property requires valuations to be undertaken on a regular basis and a formal valuation every five years. Formal external valuations were carried out by Lambert Smith Hampton on the 15th December 2022 and Jones Peckover Chartered Surveyors on the 22nd May 2023 which valued the property portfolio at £5,055,000. As at 31 July 2023, the trustees are of the opinion that the carrying value of freehold property does not materially differ from the fair value.

All assets are used for direct charitable purposes.

The comparable amounts for Land and Buildings determined according to the historical cost convention are as follows:

Cost at 1 August 2022	6,467,220
Additions	662,755
	<u> </u>
Cost at 31 July 2023	<u>7,129,975</u>

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	1,005,821	139,053
Prepayments and accrued income	150,696	78,389
	<u>1,156,517</u>	<u>217,442</u>

15 Creditors: amounts falling due within one year

	2023	2022
Notes	£	£
Bank loans and overdrafts	17 365,765	459,554
Other taxation and social security	58,138	54,912
Trade creditors	461,079	385,588
Other creditors	196,231	147,050
Accruals and deferred income	1,652,250	501,152
	<u>2,733,463</u>	<u>1,548,256</u>

The bank loan and overdraft are secured by a first legal charge over the company's freehold property.

Deferred income of £959,990 (2022 - £130,612) which is included in the above figures relates to school fees paid in advance which would be potentially refundable.

16 Creditors: amounts falling due after more than one year

	2023	2022
Notes	£	£
Bank loans	17 1,435,406	1,158,281
	<u>1,435,406</u>	<u>1,158,281</u>

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

16 Creditors: amounts falling due after more than one year **(Continued)**

17 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	277,793	-
Bank loans	1,523,378	1,617,835
	<u>1,801,171</u>	<u>1,617,835</u>
Payable within one year	365,765	459,554
Payable after one year	1,435,406	1,158,281
	<u>1,801,171</u>	<u>1,617,835</u>
Analysis of debt maturity		
Within one year or on demand	365,764	459,554
Between one and two years	373,369	105,659
Between two and five years	187,024	316,978
After five years	875,014	735,644
	<u>1,801,171</u>	<u>1,617,835</u>

The bank loans are secured by a first legal charge over the company's freehold property. The first loan, for £2.3M over 25 years, has an interest rate of 0.95% over the bank's base rate. The second loan, for £355K over 2 years, has an interest rate of 2.95% over the bank's base rate. The secured bank loans and overdraft represent 36% of the value (2022 - 39%) of the freehold property they are secured against based on its market value per the accounts at 31 July 2023.

18 Share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 August 2022 £	Resources expended £	At 31 July 2023 £
Diverse Dance Project	14,457	(2,172)	12,285
	<u>14,457</u>	<u>(2,172)</u>	<u>12,285</u>

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

19 Restricted funds (Continued)

Previous year:	At 1 August 2021 £	Resources expended £	At 31 July 2022 £
Diverse Dance Project	16,346	(1,889)	14,457

Diverse Dance Project

Monies received from The Bank of America Charitable Foundation towards the support of The Hammond School's Diverse Dance Project through three outreach programmes.

20 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Movement in funds			Movement in funds			Balance at 31 July 2023 £
	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Balance at 1 August 2022 £	Incoming resources £	Resources expended £	
PTFA - minibus	4,000	-	-	4,000	-	-	4,000
Welfare Fund	9,036	6,854	(1,725)	14,165	5,864	(1,319)	18,710
	<u>13,036</u>	<u>6,854</u>	<u>(1,725)</u>	<u>18,165</u>	<u>5,864</u>	<u>(1,319)</u>	<u>22,710</u>

An amount of £4,000 was received from the PTFA which was designated for the purpose of buying a minibus.

The welfare fund was created during 2019/20 and receives income from amounts recovered on bad debts that have previously been written off. The fund is to be used to provide short term help for parents struggling to pay the fees.

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Fund balances at 31 July 2023 are represented by:				
Tangible assets	6,049,804	-	6,049,804	4,445,386
Current assets/(liabilities)	(1,587,599)	12,285	(1,575,314)	(1,283,943)
Long term liabilities	(1,435,406)	-	(1,435,406)	(1,158,281)
	<u>3,026,799</u>	<u>12,285</u>	<u>3,039,084</u>	<u>2,003,162</u>

Of the total funds in 2022, £14,457 was restricted and was represented by net current assets.

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of property, plant and equipment	394,271	-

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	106,219	252,886
Between two and five years	7,500	20,833
	<u>113,719</u>	<u>273,719</u>

24 Related party transactions

Remuneration of key management personnel

The key management personnel of the charity comprise the Principal, the Vice-Principals, the Head of Operations and the Heads of Departments.

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	298,122	308,435

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Mr J Devoy is a director of the company and a partner of Aaron & Partners LLP Solicitors who invoiced £2,898 (2022 - £nil) during the year in respect of Legal and Professional charges. These charges have been incurred at fair market value.

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

25	Cash generated from operations	2023 £	2022 £	
	Surplus for the year	147,175	175,823	
	Adjustments for:			
	Loss on disposal of tangible fixed assets	535	-	
	Depreciation and impairment of tangible fixed assets	41,210	35,091	
	Movements in working capital:			
	(Increase) in debtors	(939,075)	(19,277)	
	Increase in creditors	1,278,996	248,022	
	Cash generated from operations	<u>528,841</u>	<u>439,659</u>	
26	Analysis of changes in net (debt)/funds	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
	Cash at bank and in hand	46,871	(45,239)	1,632
	Bank overdrafts	-	(277,793)	(277,793)
		<u>46,871</u>	<u>(323,032)</u>	<u>(276,161)</u>
	Loans falling due within one year	(459,554)	371,582	(87,972)
	Loans falling due after more than one year	(1,158,281)	(277,125)	(1,435,406)
		<u>(1,570,964)</u>	<u>(228,575)</u>	<u>(1,799,539)</u>