

**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 2024**

# THE HAMMOND SCHOOL LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	K H Cowell J M Devoy C E Penny D A Silcock A Sutton P J Edgington A F McGladrigan Mr T O Matthews (Appointed 26 February 2024)
<b>Secretary</b>	J M Devoy
<b>Principal</b>	J Roscoe
<b>Charity number</b>	1022427
<b>Company number</b>	00838325
<b>Registered office</b>	Hoole Bank House Mannings Lane Chester CH2 4ES
<b>Auditor</b>	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 2024*

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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 2023/2024. 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 5 December 2024.

#### **Directors' Report**

This has been an outstanding year of growth and consolidation. The incredible work of our leadership team in conjunction with expert panel members supported by detailed research by our course leaders has ensured that we have a curriculum that meets the demands of an ever-evolving creative industry. This equips our students and prepares them with skills to deliver in the competitive world of work beyond their time at The Hammond.

All the work over the recent years and the changes introduced in this academic year were tested in March 2024 when The Hammond School underwent a rigorous Ofsted inspection. The Hammond achieved an Outstanding grade across all four categories. On behalf of the board I have congratulated the senior leadership team on this richly deserved outcome recognising the hard work, determination and vision of a great team. The Inspectors made several positive references to the culture of the school and the wellbeing of our students, all of which remains our top priority.

Our mission is to uphold the highest academic standards at The Hammond. Our GCSE and GCE results once again surpassed national averages across all subjects and students have benefitted from a range of additional qualifications including Lamda and the London College of Music awards.

The school remains committed to increasing its involvement in a wide range of community based projects and enrichment opportunities. These projects which cover a range of activities, such as Duke of Edinburgh Awards schemes and the Ethics Cup competitions, are very beneficial to both the local and wider community as well as being extremely rewarding for the staff and students who take part. Students continue to support several charities through a variety of fundraising events. In June, the Hammond Community Appreciation Day was an opportunity for the students to better understand the role of charity, volunteers, and community networks in our society. A number of representatives from a range of local charities and voluntary organisations were invited to the school.

This enables our students to thrive, and I am delighted to report that all students who graduated from The Hammond College this year have signed with top-tier agents and are already securing employment within their chosen field.

The Board takes its fiscal responsibilities extremely seriously. I would like to put on record the Board's appreciation of our partnership with Barclays Bank. Barclays continue to support us in our plans for our site as we develop and improve our estate.

The Board of Directors wish to put on record our thanks to our facilities team for the amazing dedication, resilience and skills they demonstrated in providing a safe and inviting environment for students and staff.

The team continue with the programme of work on the school site to ensure our buildings are safe and fit for purpose.

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 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. The movement has developed with student leadership and again demonstrates how forward-thinking, innovative, and caring The Hammond is. Crucially, we listen. In response to some issues raised by our students, the Board authorised the purchase of a wellbeing centre to provide a space dedicated to our students, away from the classroom to receive specialist care and advice.

# THE HAMMOND SCHOOL LIMITED

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

### FOR THE YEAR ENDED 31 JULY 2024

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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. Our students are never shy about sharing their views and opinions and they have influenced our thinking in the way we use our discretionary spending throughout the year.

Of course, as a Board we actively managed our finances. 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.

The October budget confirmed the new government's intention to change the VAT legislation making Independent School fees subject to VAT with effect from 1 January 2025.

This change has far reaching implications for both the finances of the school and the day to day operation and administration of its financial management. This is further complicated by the absence of clear guidance for specialist MDS schools, the small minority of Independent Schools receiving government grant funding for music and dance education, of which The Hammond is one.

A lot of detailed work has been undertaken already to ensure the school remains in a robust financial position in the short, medium and long-term and fully complies with the new legislative requirements.

While the board recognises the importance of minimising the financial impact on the school's students and their families it is also very cognisant of the overriding duty to ensure that the school's financial stability is not jeopardised and the school is able to continue to provide the high standards of education to all its students.

This year, the board has supported purchasing and equipping a new Wellbeing Centre and updating the school estate as much as it can.

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 Hammond 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. Indeed, the celebration of its centenary in 2017 marked a new phase in the modernisation of the school whilst respecting the vision and ambition that had led to the development of the school to that landmark 100 years anniversary. As we look to the 110 Anniversary of the Hammond, the board are committed to providing a modern thriving environment for our students.

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 in the performing arts. It helps students between 11 and 21 plus develop the skills, knowledge and confidence necessary for their future.

# THE HAMMOND SCHOOL LIMITED

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

### FOR THE YEAR ENDED 31 JULY 2024

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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 and nationally. 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 scheme. 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 contributing 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 public.

Every pupil attending The Hammond 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. All 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 seen a significant boost to school numbers. Work is ongoing to continuously improve the offering of the Hammond, to ensure a continued flow of undergraduates.

# THE HAMMOND SCHOOL LIMITED

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

### FOR THE YEAR ENDED 31 JULY 2024

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- Reductions in available grant funding is a major threat, as scholarships funding is subject to political and social changes. In the short term, funding of talented but underfinanced individuals by the 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.
- General Election and a new Labour government may bring a change of policy for schools of performing Arts and Charities.

These are the principal risks to the school. The Board believes that the previous 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 five-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 growth of day students, and general continued rationalisation of costs. The Board is also reviewing how we tap into the potential of Alumni Membership and sponsorship to enhance the reputation of the Hammond further.

#### **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.

# THE HAMMOND SCHOOL LIMITED

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

### FOR THE YEAR ENDED 31 JULY 2024

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#### Financial review

The financial year to 31 July 2024 has been one of growth and investment.

The financial position over the last five years is summarised below:

	2024	2023	2022	2021	2020
	£000	£000	£000	£000	£000
Pupil numbers	331	335	321	331	324
Income	5,848	5,381	5,024	4,776	4,887
Grants received	1,909	1,807	1,844	1,847	1,908
Income less grants	3,939	3,574	3,180	2,929	2,979
Salaries	3,278	2,932	2,732	3,134	2,962
Overheads	2,354	2,225	2,086	1,564	1,474
Operating profit/(loss)	216	224	206	78	451
Interest payable	-148	-77	-30	-26	-36
Net profit/(loss) for the year	68	147	176	52	415
	£	£	£	£	£
Ave. contribution/pupil	11,900	10,669	9,907	8,849	9,194

#### Reserves

The net assets of the school stood at £3.11m at the end of the year, an increase of £70k compared to last year's balance of £3.04m. Restricted funds accounted for £9,631.

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 6.4 months of operating costs. The directors maintain vigilance over the school's finances by reviewing a monthly finance report, including management accounts and cash reporting. The monthly results are reviewed at both Board and Board sub-committee levels with reference to the regularly updated rolling 3-year forecast.

#### Bank balances

The School ended the year with an overdrawn bank balance of £254k, compared to an overdrawn balance of £278k at the end of the last financial year. Outstanding mortgage debt at year-end was £2.1m.

# THE HAMMOND SCHOOL LIMITED

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

*FOR THE YEAR ENDED 31 JULY 2024*

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### **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**

The academic year began with the completion of the extensive boarding house refurbishment project allowing our students to move in on time at the start of the new academic year. This project which cost in excess of £1m was part funded by an additional dedicated facility provided by our bankers, Barclays.

### **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.
- 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 2024

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#### 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 1 January 2019).

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

P J Edgington

A F McGladrigan

I Wynne-Smythe

(Resigned 30 January 2024)

K Newsam

(Resigned 14 October 2024)

Mr T O Matthews

(Appointed 26 February 2024)

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 2024*

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### **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 2024**

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### PRINCIPAL'S END OF YEAR REPORT

#### Overview

The 2023-24 academic year has been nothing short of transformative for The Hammond, with record-breaking achievements across all areas of our provision. The year ended with the largest number of students on roll for the start of the next academic year, a testament to the careful crafting of our curriculum and our strategic efforts to raise the national profile of the school.

#### Growth and Curriculum Development

The attractiveness of the school is due, among other reasons, to the work carried out in the 2023-24 academic year to refine each course offered by the school to meet the evolving demands of the creative industries, ensuring that our students are prepared for the competitive world beyond our walls. The academic and vocational offerings for 2024/5 will be even stronger, the result of the work referred to above carefully crafted in collaboration with an external panel and informed by detailed research carried out by our curriculum leaders.

This growth can also be attributed to the concerted efforts to elevate The Hammond's profile on a national scale. We engaged in numerous industry-focused events such as *Can You Dance?* (Liverpool and Northern Ireland), One Dance events, and a wide array of off-site outreach activities. Notably, we revamped our auditions process to make it more accessible, refining its focus and reach. For the first time, our audition panel travelled to Belfast and Jersey, and both ventures proved to be highly successful, attracting exceptional talent. Due to their success, we plan to repeat and expand these initiatives in the coming years.

#### Student Destinations and Success

We are thrilled to report that all students who graduated from The Hammond College this year have signed with top-tier agents and are already securing employment within the creative industries. A small number of graduates have opted to pursue further training, demonstrating our commitment to supporting students through diverse pathways. In addition, more Year 11 students have chosen to continue their journey with us in college than ever before, reflecting the distinct identity and outstanding quality of our vocational training.

The success of these outcomes is a direct result of our newly created *Industry and Outreach Team*, whose hard work has been recognised as "Outstanding" in recent inspections. Their influence has been instrumental in solidifying The Hammond as a leading institution in both training and graduate employability.

#### Financial Control and Infrastructure Improvements

Our school continues to exercise firm financial control, evidenced by our ability to complete key infrastructure projects while exploring new avenues for income. This year, we successfully completed an extensive renovation of our boarding houses, enabling 90 boarders to move back into beautifully restored accommodations this September. The feedback from both boarders and parents has been overwhelmingly positive. Our new facilities provide a warm, welcoming environment that students are proud to call home—further enhancing their Hammond experience.

Furthermore, our prudent financial management has allowed us to purchase a new *Wellbeing Centre*, an integral part of our ongoing commitment to providing the highest standard of physical and emotional health support. This new facility exemplifies our dedication to ensuring that all students receive the care they need to thrive, both in and out of the classroom.

#### Academic Excellence and Enrichment

We have continued to uphold the highest academic standards at The Hammond. This year, our leadership team has scrutinised every element of our teaching and learning to ensure that all students—especially target groups—make rapid progress. Our GCSE and GCE results from the summer of 2024 once again surpassed national averages across all subjects, highlighting the outstanding quality of our academic provision.

Beyond the classroom, we have offered students a wealth of enrichment opportunities, from LAMDA and LCM exams to Duke of Edinburgh Award schemes and the *Ethics Cup* competitions. Our comprehensive PSHE programme has broadened students' horizons, promoting personal development and well-roundedness. These initiatives not only enrich our students' educational experiences but also prepare them for the challenges of the wider world.

# THE HAMMOND SCHOOL LIMITED

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

FOR THE YEAR ENDED 31 JULY 2024

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### Professional Productions

Our productions are the culmination of the education and training students receive at The Hammond, and this year was no exception. We delivered industry-standard performances designed to give students the experience of working as part of a professional company. These productions are the pinnacle of our students' journeys, showcasing the skills they have honed through years of hard work and dedication. We are proud to say that our students leave The Hammond ready to compete at the highest level in the creative industries.

### Student Wellbeing and Leadership

The wellbeing of our students remains our top priority. Our *Every Body Movement* initiative, which promotes healthy attitudes towards education, training, and self-care, has been a huge success. We have seen students flourish not only as performers but also as confident individuals with a strong sense of self-worth and belonging.

The *Hammond Parliament*, our student leadership body, has also continued to shape the student experience through a focus on charity work, community engagement, and enhancing school life. Their input has been invaluable in fostering a strong sense of community and responsibility among their peers.

### Funding and National Recognition

The continuation of our three primary funding streams—MDS, DaDA, and tuition fees from the University of Chester course—has been instrumental in maintaining the high standard of our provision. The MDS and DaDA schemes, in particular, continue to prove The Hammond's national excellence, providing access to exceptional training for talented students from diverse socio-economic backgrounds. These grants ensure that financial barriers do not stand in the way of talent, helping to foster a more inclusive and representative creative industries workforce.

### Ofsted Inspection

In March 2024, The Hammond School underwent a rigorous Ofsted inspection, and I am delighted to announce that we achieved an *Outstanding* grade across all four categories. This is an incredibly rare accomplishment, and it stands as a testament to the dedication, skill, and passion of every member of our staff. To be recognised as outstanding in leadership, teaching and learning, personal development, and behaviour and welfare is a true honour and reflects the immense effort we put into every aspect of the student experience.

### Conclusion and Thanks

I would like to extend my heartfelt thanks to the *Board of Directors*, whose ongoing support has been instrumental in driving our success. Their commitment to the school's vision and values has empowered us to achieve great things, and their trust in our leadership has allowed us to flourish. I would also like to express my gratitude to *Barclays* for their continued support, which has played a crucial role in helping us fund new initiatives and improve our facilities.

It is a true privilege to lead such an inspirational team of colleagues, whose talent and dedication know no bounds. I am equally honoured to work alongside our wonderful students, who amaze us daily with their creativity, passion, and resilience. Together, we have made The Hammond a beacon of excellence, and I look forward to all that we will achieve in the future.

**Jennifer Roscoe**  
Principal

# THE HAMMOND SCHOOL LIMITED

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

**FOR THE YEAR ENDED 31 JULY 2024**

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### 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: 6/12/24

# THE HAMMOND SCHOOL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE HAMMOND SCHOOL LIMITED

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#### Opinion

We have audited the financial statements of The Hammond School Limited (the 'charity') for the year ended 31 July 2024 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 2024 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

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#### **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

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#### 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

6/12/24

**Chartered Accountants**  
**Statutory Auditor**

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

# THE HAMMOND SCHOOL LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Income and endowments from:</b>							
<u>Charitable activities</u>							
School fees and associated income	3	5,659,676	-	5,659,676	5,256,242	-	5,256,242
Other income	4	188,362	-	188,362	125,005	-	125,005
<b>Total income</b>		<u>5,848,038</u>	<u>-</u>	<u>5,848,038</u>	<u>5,381,247</u>	<u>-</u>	<u>5,381,247</u>
<b>Expenditure on:</b>							
<u>Charitable activities</u>							
Charitable activities	5	5,776,372	2,654	5,779,026	5,231,365	2,172	5,233,537
Other expenditure	10	-	-	-	535	-	535
<b>Total expenditure</b>		<u>5,776,372</u>	<u>2,654</u>	<u>5,779,026</u>	<u>5,231,900</u>	<u>2,172</u>	<u>5,234,072</u>
<b>Net income/(expenditure)</b>		71,666	(2,654)	69,012	149,347	(2,172)	147,175
<b>Other recognised gains and losses:</b>							
Revaluation of tangible fixed assets		-	-	-	888,747	-	888,747
<b>Net movement in funds</b>	7	71,666	(2,654)	69,012	1,038,094	(2,172)	1,035,922
<b>Reconciliation of funds:</b>							
Fund balances at 1 August 2023		<u>3,026,799</u>	<u>12,285</u>	<u>3,039,084</u>	<u>1,988,705</u>	<u>14,457</u>	<u>2,003,162</u>
<b>Fund balances at 31 July 2024</b>		<u>3,098,465</u>	<u>9,631</u>	<u>3,108,096</u>	<u>3,026,799</u>	<u>12,285</u>	<u>3,039,084</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 2024

	Notes	2024 £	£	2023 £	£
<b>Fixed assets</b>					
Tangible assets	12		6,833,136		6,049,804
<b>Current assets</b>					
Debtors	13	197,146		1,156,517	
Cash at bank and in hand		1,637		1,632	
		<u>198,783</u>		<u>1,158,149</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,966,631)</u>		<u>(2,733,463)</u>	
Net current liabilities			<u>(1,767,848)</u>		<u>(1,575,314)</u>
<b>Total assets less current liabilities</b>			5,065,288		4,474,490
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(1,957,192)</u>		<u>(1,435,406)</u>
<b>Net assets</b>			<u><u>3,108,096</u></u>		<u><u>3,039,084</u></u>
<b>Income funds</b>					
Restricted funds	18		9,631		12,285
<u>Unrestricted funds - general</u>					
Designated funds	19	9,750		22,710	
General unrestricted funds		4,614,200		4,529,574	
Share capital		10,000		10,000	
Revaluation reserve		<u>(1,535,485)</u>		<u>(1,535,485)</u>	
			<u>3,098,465</u>		<u>3,026,799</u>
			<u><u>3,108,096</u></u>		<u><u>3,039,084</u></u>

The financial statements were approved by the Trustees on ...6/12/24...



K H Cowell  
Trustee

Company Registration No. 00838325

# THE HAMMOND SCHOOL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		272,759		528,841
<b>Investing activities</b>					
Purchase of tangible fixed assets		(830,255)		(757,416)	
<b>Net cash used in investing activities</b>					
			(830,255)		(757,416)
<b>Financing activities</b>					
Proceeds of new bank loans		690,040		-	
Repayment of bank loans		(109,957)		(94,457)	
<b>Net cash generated from/(used in) financing activities</b>					
			580,083		(94,457)
<b>Net increase/(decrease) in cash and cash equivalents</b>					
			22,587		(323,032)
Cash and cash equivalents at beginning of year					
			(276,161)		46,871
<b>Cash and cash equivalents at end of year</b>					
			(253,574)		(276,161)
<b>Relating to:</b>					
Cash at bank and in hand			1,637		1,632
Bank overdrafts included in creditors payable within one year			(255,211)		(277,793)

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 JULY 2024*

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### 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. 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 to which they relate, in accordance with the underlying conditions and terms attached to each grant.

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 2024

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### 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 2024

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### 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.

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

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### 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 significant judgements considered to have the greatest risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follow:

#### Valuation of land and buildings

Land and Buildings are measured at fair value at the reporting date based on judgements made by the directors having regard to general market conditions and any relevant information available to them.

### 3 Charitable activities

	<b>School fees and associated income 2024 £</b>	<b>School fees and associated income 2023 £</b>
School fees and associated income	5,659,676	5,256,242

### 4 Other income

	<b>Unrestricted funds 2024 £</b>	<b>Unrestricted funds 2023 £</b>
Rent received	188,362	125,005

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

### 5 Charitable activities

	Education 2024 £	Education 2023 £
Staff costs	3,278,307	2,931,644
Depreciation and impairment	46,923	41,210
Production costs	226,458	214,524
School books and equipment	48,180	43,763
Exam fees	67,665	56,908
Telephone	14,924	14,081
Printing, postage and stationery	21,303	19,844
Licenses	23,887	16,797
Catering and cleaning contract	689,627	607,536
Motor expenses	7,201	3,897
School transport	102,087	104,854
School trips	139,485	99,362
General expenses	111,769	39,022
Degree course expenses	178,469	177,026
Subscriptions and donations	20,858	19,133
	<u>4,977,143</u>	<u>4,389,601</u>
Share of support costs (see note 6)	680,126	727,189
Share of governance costs (see note 6)	121,757	116,747
	<u>5,779,026</u>	<u>5,233,537</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	5,776,372	5,231,365
Restricted funds	2,654	2,172
	<u>5,779,026</u>	<u>5,233,537</u>
<b>For the year ended 31 July 2023</b>		
Unrestricted funds - general	5,231,365	
Restricted funds	2,172	
	<u>5,233,537</u>	

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

### 6 Support costs allocated to activities

	2024	2023
	£	£
Operating lease charges	11,042	11,049
Rent and rates	170,348	314,995
Insurance	35,011	30,389
Light and heat	132,453	123,235
Repairs and renewals	75,770	60,337
Ground maintenance	31,336	27,899
Cleaning	25,515	16,399
Advertising and marketing	26,032	19,873
Recruitment	28,285	21,061
Bad debts	(3,263)	25,022
Bank loan interest	147,597	76,930
Governance costs	121,757	116,747
	<u>801,883</u>	<u>843,936</u>

#### Analysed between:

Charitable activities	<u>801,883</u>	<u>843,936</u>
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#### Governance costs comprise:

	2024	2023
	£	£
Audit fees	14,144	14,126
Legal and professional	87,231	91,772
Bank charges	20,382	10,849
	<u>121,757</u>	<u>116,747</u>

### 7 Net movement in funds

	2024	2023
	£	£
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	14,144	14,126
Depreciation of owned tangible fixed assets	46,923	41,209
Loss on disposal of tangible fixed assets	-	535
Operating lease charges	<u>11,042</u>	<u>11,049</u>

### 8 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 2024

### 9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Full time	66	61
Part time	44	44
	<u>110</u>	<u>105</u>

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

Teaching	52	50
Non-Teaching	36	29
	<u>88</u>	<u>79</u>

### Employment costs

	2024 £	2023 £
Wages and salaries	2,941,959	2,622,820
Social security costs	264,903	242,524
Other pension costs	71,445	66,300
	<u>3,278,307</u>	<u>2,931,644</u>

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

	2024 Number	2023 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	-	-
£80,000 - £90,000	1	1
	<u>1</u>	<u>1</u>

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2024

#### 10 Other

	Total £ 2024	Unrestricted funds general 2023
Net loss on disposal of tangible fixed assets	-	535

#### 11 Taxation

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

#### 12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 August 2023	5,701,502	227,167	888,756	289,116	31,762	7,138,303
Additions	703,119	96,312	23,052	7,772	-	830,255
At 31 July 2024	6,404,621	323,479	911,808	296,888	31,762	7,968,558
<b>Depreciation and impairment</b>						
At 1 August 2023	-	85,550	696,455	275,295	31,199	1,088,499
Depreciation charged in the year	-	18,510	20,548	7,725	140	46,923
At 31 July 2024	-	104,060	717,003	283,020	31,339	1,135,422
<b>Carrying amount</b>						
At 31 July 2024	6,404,621	219,419	194,805	13,868	423	6,833,136
At 31 July 2023	5,701,502	141,616	192,302	13,821	563	6,049,804

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 2024, 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 2023	7,129,975
Additions	703,119
Cost at 31 July 2024	7,833,094

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

### 13 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	102,714	1,005,821
Prepayments and accrued income	94,432	150,696
	<u>197,146</u>	<u>1,156,517</u>

### 14 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans and overdrafts	16	401,480	365,765
Other taxation and social security		58,615	58,138
Trade creditors		442,480	461,079
Other creditors		246,641	196,231
Accruals and deferred income		817,415	1,652,250
		<u>1,966,631</u>	<u>2,733,463</u>

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

Deferred income of £102,953 (2023 - £959,990) which is included in the above figures relates to school fees paid in advance which would be potentially refundable.

### 15 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Bank loans	16	<u>1,957,192</u>	<u>1,435,406</u>

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

### 16 Loans and overdrafts

	2024 £	2023 £
Bank overdrafts	255,211	277,793
Bank loans	2,103,461	1,523,378
	<u>2,358,672</u>	<u>1,801,171</u>
Payable within one year	401,480	365,765
Payable after one year	<u>1,957,192</u>	<u>1,435,406</u>
<b>Analysis of debt maturity</b>		
Within one year or on demand	401,481	365,764
Between one and two years	184,552	373,369
Between two and five years	369,104	187,024
After five years	1,403,535	875,014
	<u>2,358,672</u>	<u>1,801,171</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 third loan, for £700k over 9.5 years, has an interest rate of 2.75% over the bank's base rate. The secured bank loans and overdraft represent 37% of the value (2023 - 36%) of the freehold property they are secured against based on its market value per the accounts at 31 July 2024.

### 17 Share capital

	2024 £	2023 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

### 18 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 2023 £	Resources expended £	At 31 July 2024 £
Diverse Dance Project	<u>12,285</u>	<u>(2,654)</u>	<u>9,631</u>

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

### 18 Restricted funds (Continued)

Previous year:	At 1 August 2022 £	Resources expended £	At 31 July 2023 £
Diverse Dance Project	14,457	(2,172)	12,285

#### 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.

### 19 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 2024 £
	Balance at 1 August 2022 £	Incoming resources £	Resources expended £	Balance at 1 August 2023 £	Incoming resources £	Resources expended £	
PTFA - minibus	4,000	-	-	4,000	-	-	4,000
Welfare Fund	14,165	5,864	(1,319)	18,710	6,763	(19,723)	5,750
	<u>18,165</u>	<u>5,864</u>	<u>(1,319)</u>	<u>22,710</u>	<u>6,763</u>	<u>(19,723)</u>	<u>9,750</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.

20 Analysis of net assets between funds	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Fund balances at 31 July 2024 are represented by:				
Tangible assets	6,833,136	-	6,833,136	6,049,804
Current assets/(liabilities)	(1,777,479)	9,631	(1,767,848)	(1,575,314)
Long term liabilities	(1,957,192)	-	(1,957,192)	(1,435,406)
	<u>3,098,465</u>	<u>9,631</u>	<u>3,108,096</u>	<u>3,039,084</u>

Of the total funds in 2023, £12,285 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 2024

#### 21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of property, plant and equipment	-	394,271

#### 22 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:

	2024	2023
	£	£
Within one year	10,386	106,219
Between two and five years	-	7,500
	<u>10,386</u>	<u>113,719</u>

#### 23 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.

	2024	2023
	£	£
Aggregate compensation	336,221	298,122

##### 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 £1,243 (2023 - £2,898) during the year in respect of Legal and Professional charges. Income of £120 (2023 - £nil) was recognised for advertisement within concert programmes. These charges and income have been incurred at fair market value.

# THE HAMMOND SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

24 Cash generated from operations	2024 £	2023 £	
Surplus for the year	69,012	147,175	
Adjustments for:			
(Gain)/loss on disposal of tangible fixed assets	-	535	
Depreciation and impairment of tangible fixed assets	46,923	41,210	
Movements in working capital:			
Decrease/(increase) in debtors	959,371	(939,075)	
(Decrease)/increase in creditors	(802,547)	1,278,996	
<b>Cash generated from operations</b>	<u>272,759</u>	<u>528,841</u>	
25 Analysis of changes in net (debt)/funds			
	At 1 August 2023 £	Cash flows £	At 31 July 2024 £
Cash at bank and in hand	1,632	5	1,637
Bank overdrafts	(277,793)	22,582	(255,211)
	<u>(276,161)</u>	<u>22,587</u>	<u>(253,574)</u>
Loans falling due within one year	(87,972)	(58,297)	(146,269)
Loans falling due after more than one year	(1,435,406)	(521,786)	(1,957,192)
	<u>(1,799,539)</u>	<u>(557,496)</u>	<u>(2,357,035)</u>

