

Charity registration number 1022427 (England and Wales)

Company registration number 00838325

THE HAMMOND SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

THE HAMMOND SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

K H Cowell
J M Devoy
C E Penny
D A Silcock
A Sutton
A F McGladrigan
T O Matthews
E C Ratcliffe

(Appointed 6 December 2024)

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

CONTENTS

	Page
Trustees' report	1 - 11
Independent auditor's report	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 32

THE HAMMOND SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2025

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 2024/2025. This report also constitutes the directors' report of the charitable company for the purposes of the Companies Act 2006. The accounts were approved by the board at the Annual General Meeting on 4 December 2025.

Chair's Report

As we reflect on 2024/25, it has been a year marked by many successes and significant achievements. The year started with the largest school roll in its 117-year history, setting a pattern of sustained growth and demonstrating the reputation of the Hammond in offering a range of curriculum options for the performers of the future in their chosen field.

The running of the school is governed by a highly skilled group of Non-Executive Directors whose responsibility it is to set the strategy and governance framework for the Hammond. This year the board have reviewed and strengthened governance structures in response to recent inspection advice with emphasis on the school and boarding house environment.

The Hammond has a strong financial basis. However, this year has seen unprecedented pressure on our budgets from costs out with of our control. The Government's decision to impose VAT on school fees, the lifting of rate relief on school property and the increase of National Insurance rates has impacted the schools' running costs by an additional half a million pounds per year. We appointed a new Head of Finance who has worked with the board to ensure that we manage our resources effectively. The Board have a long- and well-established relationship with our bankers Barclays, and I would like to put on record my thanks to the team at Barclays for their continued advice and support.

All our success is, of course, down to the hard work, dedication, and professionalism of all our staff. The wellbeing of our students is our highest priority, and the culture of the school is one of care and commitment to nurturing the whole child.

I could not be prouder than when I see our students demonstrating their learned skills on stage. This year the Hammond has staged six major productions demonstrating our talented students progression to achieving the highest levels of professionalism and confidence in dance, acting, and musical theatre.

As a board we are committed to ensuring that our offer to students is sector leading and we will continue to review and refine our curriculum offer to students. The challenges will remain but so will our ambition and drive to provide the best possible learning experience and environment for our students to thrive and develop their skills.

A special thank you to my non-executive colleagues who give their time and commitment freely and bring such a wealth of experience in supporting both of dedicated staff, led by our principal, and our exceptional students.

I am confident that the Hammond will continue to be the place of choice for the performers of the future.

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 HAMMOND SCHOOL LIMITED

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

FOR THE YEAR ENDED 31 JULY 2025

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 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, considering 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 HAMMOND SCHOOL LIMITED

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

FOR THE YEAR ENDED 31 JULY 2025

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.
- 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.

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. We were delighted to invite a range of Cheshire Charities to experience the Hammond during National Volunteers Week in June when they joined us for a special celebration and 'thank you' for the difference they make in our communities.

THE HAMMOND SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Financial review

The financial year to 31 July 2025 has been one of growth and investment.

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

	2025	2024	2023	2022	2021
Pupil numbers	366	331	335	321	331
	£000	£000	£000	£000	£000
Income	6,125	5,848	5,381	5,024	4,776
Grants received	1,973	1,909	1,807	1,844	1,847
Income less grants	4,152	3,939	3,574	3,180	2,929
Salaries	3,425	3,278	2,932	2,732	3,134
Overheads	2,458	2,354	2,225	2,086	1,564
Operating profit/(loss)	242	216	224	206	78
Interest payable	-130	-148	-77	-30	-26
Net profit/(loss) for the year	112	68	147	176	52
	£	£	£	£	£
Ave. contribution/pupil	11,345	11,900	10,669	9,907	8,849

Reserves

The net assets of the school stood at £3.18m at the end of the year, an increase of £112k compared to last year's balance of £3.06m. Restricted funds accounted for £8,098 (2024: £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.

Bank balances

The School ended the year with an overdrawn bank balance of £385k, compared to an overdrawn balance of £255k at the end of the last financial year. Outstanding mortgage debt at year-end was £1.9m.

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 and Summer School.

THE HAMMOND SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Structure, governance and management

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 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	(Resigned 24 April 2025)
A F McGladrigan	
K Newsam	(Resigned 14 October 2024)
T O Matthews	
E C Ratcliffe	(Appointed 6 December 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 Board took a decision this year to focus on our charity and have appointed a new fund-raising manager to focus on this work. 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 four directors, the Principal and the Head of Finance.

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 2025

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 2025

PRINCIPAL'S END OF YEAR REPORT

Overview

The 2024-25 academic year has been both transformative and challenging for The Hammond, with outstanding achievements across all areas of our provision. This year began with the largest number of students on roll in the school's history (out pacing the record-breaking figures from the previous year), a testament to the careful crafting of our curriculum and our strategic efforts to raise the national profile of the school, and counter to possible challenges due to government-imposed financial changes placed on independent schools.

Growth and Curriculum Development

Our exceptional growth reflects a purposeful and research-driven evolution of our curriculum, developed in partnership with an external panel of industry experts and underpinned by rigorous analysis from our course leaders. Each programme has been strategically refined to align with the dynamic and emerging needs of the creative industries, ensuring that every graduate is fully equipped for professional success.

This year, our validated degree course underwent further enhancement, following university approval, to embed a stronger competency-based learning model — enabling students to develop and evidence professional skills through authentic, practice-led experiences.

Our progress also stems from a targeted drive to raise The Hammond's national profile. We have deepened our engagement with the sector through events such as Can You Dance? and One Dance UK conferences, and a wide range of outreach activities across the UK and beyond. In addition, we reimagined our audition process to enhance accessibility and inclusivity, expanding our reach to new regions. For the first time, our school and outreach programme cultivated relationships with many local primary schools, proving highly successful and attracting outstanding new talent. Building on this momentum, we plan to further extend these initiatives in the coming years.

Student Destinations and Success

Our ongoing success is also a testament to the investment made in our staff and their professional development. This year, we have focused on upskilling our teaching and support teams to ensure that every student receives a truly personalised experience — one that recognises individual goals, learning styles, and pathways into the creative professions. By equipping staff with enhanced coaching, mentoring, and progress-tracking skills, we have strengthened our capacity to provide bespoke guidance that nurtures both artistic and academic excellence.

This commitment to continuous improvement has allowed us to maintain the highest standards of care and training, while responding flexibly to the evolving needs of our diverse student body. It ensures that The Hammond continues to offer a supportive, aspirational, and student-centred environment in which every learner can thrive.

Financial Control and Infrastructure Improvements

Significant progress has been made this year in strengthening The Hammond's financial control environment and physical infrastructure. Following detailed advice and recommendations from recent inspections, substantial works were undertaken across both boarding houses, with particular emphasis on health, safety, and compliance. These improvements included comprehensive reviews of fire safety systems and risk-management protocols — all of which were rigorously inspected, tested, and fully approved in July. The outcome has been a demonstrably safer and more compliant boarding environment, with clear systems of accountability and maintenance now embedded into routine operational practice.

The appointment of a new Head of Finance has also brought about a step change in the school's financial management and oversight. Within a short period, she has transformed and reinvigorated the finance team, implementing robust internal controls, clear segregation of duties, and improved reporting mechanisms. Real-time management information is now available to the Senior Leadership Team, enabling evidence-based decision-making and proactive financial planning. Budget monitoring, forecasting, and procurement processes have all been strengthened, ensuring transparency and value for money across the organisation.

THE HAMMOND SCHOOL LIMITED

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

FOR THE YEAR ENDED 31 JULY 2025

During the year, the school also navigated the introduction of VAT on school fees with professionalism and care. In recognition of the financial pressures facing families, The Hammond made the decision to absorb the VAT on fees for the Spring Term, demonstrating its commitment to supporting students and parents during a period of significant policy change. From the Summer Term, VAT was applied to fees in line with new national requirements. The school sought specialist VAT guidance to ensure full compliance and a clear understanding of the partial exemption scheme, enabling the finance team to operate confidently and efficiently within this new framework. This process was managed smoothly and transparently, with positive communication and reassurance to parents throughout.

In addition, the creation of a new Director of Development post demonstrates the school's strategic commitment to long-term financial sustainability and external engagement. The appointment of an experienced fundraiser has already enhanced The Hammond's capacity to cultivate donor relationships, expand philanthropic partnerships, and build structured income streams to support bursaries, capital projects, and artistic enrichment. This new function ensures that the school's fundraising efforts are professionalised, data-informed, and fully aligned with its mission to widen access to elite training irrespective of financial background.

Together, these developments reflect a culture of strong governance, continuous improvement, and prudent stewardship of resources. The Hammond is now operating within a far more robust framework of financial control and sustainability — one that meets the expectations of regulators and auditors, supports future growth, and underpins the school's strategic ambitions for the next decade.

Academic Excellence and Enrichment

The continued development of The Hammond's academic curriculum remains central to the school's vision of providing a truly rounded education that complements elite vocational training. Our academic provision is designed to be ambitious, inclusive, and responsive, ensuring that students achieve strong outcomes while developing intellectual curiosity and critical thinking alongside their creative practice. Curriculum design across all key stages is continually reviewed to align with national expectations and higher education pathways, ensuring that students are well prepared for both professional and academic progression.

The integration of new digital learning and information systems has further strengthened the delivery and monitoring of academic progress. These platforms enable teachers to track attainment and engagement in real time, providing data-driven insights that inform classroom practice and targeted intervention. Parents now have direct access to key academic information — including progress reports, attendance, and assessment feedback — fostering greater transparency and collaboration between school and home. This digital transformation has not only enhanced the quality of teaching and learning but also empowered students to take ownership of their academic journey.

Academic outcomes across GCSE, A Level, and degree courses continue to reflect the high standards and individualised approach that define The Hammond's provision. GCSE and A Level students achieved strong results across both core and creative subjects, with many exceeding national benchmarks and progressing to leading vocational colleges, conservatoires, and universities. At degree level, students have continued to perform exceptionally well, demonstrating both academic and professional excellence. The recent introduction of competency-based assessment, approved by the validating university, has further enhanced graduate outcomes by ensuring that students can evidence practical skills and industry readiness alongside academic achievement.

Collectively, these developments underscore The Hammond's commitment to academic excellence as a foundation for lifelong success. By investing in curriculum quality, staff development, and technological innovation, the school continues to ensure that every student benefits from a holistic, future-focused education of the highest standard.

THE HAMMOND SCHOOL LIMITED

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

FOR THE YEAR ENDED 31 JULY 2025

Professional Productions

Performance opportunities continue to be a defining strength of The Hammond's vocational provision and a vital component of our students' professional training. Over the past year, we have staged six major productions, spanning dance, acting, and musical theatre. These performances are not only showcases of student talent but also integral learning experiences that mirror the professional environment — developing technical skill, artistry, discipline, and collaboration under real-world conditions. The outcomes from these productions have been exceptional, with students consistently demonstrating the high levels of performance, professionalism, and creativity expected within the industry.

The quality of our training and performance provision has also been externally validated. The Hammond successfully completed its CDMT revalidation inspection this year, achieving excellent feedback. This outcome affirms the school's standing as a centre of excellence for vocational and professional arts education, meeting and exceeding national quality benchmarks. Together, these achievements underline the school's commitment to providing students with authentic professional experiences and the highest quality of training, ensuring they graduate as confident, skilled, and industry-ready performers.

Student Wellbeing and Leadership

The wellbeing of our students remains our highest priority and a defining hallmark of The Hammond's provision. This has been consistently recognised in successive inspection reports, which highlight the school's deeply embedded culture of care and its exceptional commitment to nurturing the whole child. Our approach to wellbeing is holistic, proactive, and rooted in the belief that true artistic excellence can only flourish when students feel safe, valued, and supported.

The Every Body Movement initiative continues to lead this work, promoting healthy, sustainable attitudes towards training, body image, and self-care. This whole-school ethos celebrates individuality and encourages students to recognise the importance of balance, recovery, and resilience. We have seen our young people grow not only as performers but as confident, grounded individuals with a strong sense of self-worth and belonging.

Our wellbeing provision has been further strengthened through the outstanding work of our Injury Prevention Coordinator, whose specialist expertise continues to safeguard the physical health and performance longevity of our students. Early-intervention strategies, bespoke rehabilitation plans, and collaborative work with teaching staff have ensured an exceptional standard of physical care. This has been complemented by the introduction of dedicated performance psychology support, providing students with tools to manage the mental and emotional demands of professional training and performance. Together, these provisions create a comprehensive framework that supports every aspect of our students' wellbeing — physical, mental, and emotional.

Student voice also plays a central role in shaping this culture. The Hammond Parliament, our student leadership body, continues to drive positive change through initiatives focused on charity work, community engagement, and enhancing school life. Their thoughtful leadership fosters empathy, social responsibility, and unity across the school community.

Collectively, these initiatives exemplify The Hammond's unwavering commitment to wellbeing as a cornerstone of its mission. Our students leave not only as accomplished performers but as resilient, self-aware, and compassionate young adults, fully prepared to contribute with confidence and integrity to the creative industries and the wider world.

Funding and National Recognition

The Hammond continues to play a nationally significant role in widening access to elite performing arts training through its participation in the Government's Music and Dance Scheme (MDS) and the Dance and Drama Awards (DaDA). These schemes remain vital in enabling talented young people from all backgrounds to access professional training regardless of financial circumstance. As one of two MDS schools in the North of England, The Hammond provides a critical contribution to social mobility, regional opportunity, and the levelling-up of access to the creative industries.

THE HAMMOND SCHOOL LIMITED

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

FOR THE YEAR ENDED 31 JULY 2025

The school also successfully completed both its DaDA revalidation and a comprehensive DaDA audit, receiving excellent feedback and a completely clean outcome. These results affirm the school's strong governance, compliance, and stewardship of public funds.

In addition to its work within national funding frameworks, The Hammond has taken decisive steps to strengthen its own financial resilience and philanthropic reach. The appointment of a Director of Development has brought renewed energy and focus to fundraising and donor engagement. Through this enhanced strategy, the school has begun to diversify income streams, expand donor relationships, and build long-term sustainability for its bursary and outreach programmes.

This year, The Hammond also received a generous donation from a local charity to establish a dedicated bursary fund, further supporting its mission to remove financial barriers and ensure that exceptional talent can flourish.

Together, these achievements reflect The Hammond's growing national recognition as both a centre of excellence in performing arts training and a leader in widening participation and social impact within the sector.

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 2025

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: 4 December 2025

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 2025 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 2025 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, Statutory Auditor
Chartered Accountants
2nd Floor Refuge House
33-37 Watergate Row
Chester

CH1 2LE

Date: 4 December 2025

THE HAMMOND SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2025

	Unrestricted funds	Restricted funds	Endowment funds	Total	Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£	£
Income and endowments from:							
3	-	-	100,000	100,000	-	-	-
Donations and legacies							
Charitable activities							
4	5,992,048	-	-	5,992,048	5,628,411	-	5,628,411
School fees and associated income							
5	33,252	-	-	33,252	188,362	-	188,362
Other income							
Total income and endowments	6,025,300	-	100,000	6,125,300	5,816,773	-	5,816,773
Expenditure on:							
Charitable activities							
Charitable activities							
6	6,012,219	1,533	-	6,013,752	5,788,532	2,654	5,791,186
Total expenditure	6,012,219	1,533	-	6,013,752	5,788,532	2,654	5,791,186
Net income/(expenditure) and movement in funds	13,081	(1,533)	100,000	111,548	28,241	(2,654)	25,587
Reconciliation of funds:							
Fund balances at 1 August 2024	3,055,040	9,631	-	3,064,671	3,026,799	12,285	3,039,084
Fund balances at 31 July 2025	3,068,121	8,098	100,000	3,176,219	3,055,040	9,631	3,064,671

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 2025

	Notes	2025 £	2024 as restated £
Fixed assets			
Tangible assets	12	6,700,051	6,505,176
Current assets			
Debtors	13	174,097	197,146
Cash at bank and in hand		101,846	1,637
		<u>275,943</u>	<u>198,783</u>
Creditors: amounts falling due within one year	14	(2,043,156)	(1,682,096)
Net current liabilities		(1,767,213)	(1,483,313)
Total assets less current liabilities		<u>4,932,838</u>	<u>5,021,863</u>
Creditors: amounts falling due after more than one year	15	(1,756,619)	(1,957,192)
Net assets		<u><u>3,176,219</u></u>	<u><u>3,064,671</u></u>
Capital funds			
Endowment funds	17	100,000	-
Income funds			
Restricted funds	19	8,098	9,631
<u>Unrestricted funds - general</u>			
Designated funds	20	25,305	9,750
General unrestricted funds		3,032,816	3,035,290
Share capital		<u>10,000</u>	<u>10,000</u>
		<u>3,068,121</u>	<u>3,055,040</u>
		<u><u>3,176,219</u></u>	<u><u>3,064,671</u></u>

The financial statements were approved by the Trustees on 4 December 2025


 K H Cowell
 Trustee

Company Registration No. 00838325

THE HAMMOND SCHOOL LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025		2024 as restated	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		378,763		(55,201)
Investing activities					
Purchase of tangible fixed assets		(254,279)		(502,295)	
Proceeds from disposal of tangible fixed assets		1,251		-	
Net cash used in investing activities			(253,028)		(502,295)
Financing activities					
Proceeds from new bank loans		-		690,040	
Repayment of bank loans		(155,077)		(109,957)	
Net cash (used in)/generated from financing activities			(155,077)		580,083
Net (decrease)/increase in cash and cash equivalents					
			(29,342)		22,587
Cash and cash equivalents at beginning of year			(253,574)		(276,161)
Cash and cash equivalents at end of year			(282,916)		(253,574)
Relating to:					
Cash at bank and in hand			101,846		1,637
Bank overdrafts included in creditors payable within one year			(384,762)		(255,211)

THE HAMMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

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 Basis of preparation

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 2025

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. 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 2025

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 2025

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 Income from donations and legacies

	Endowment funds	Endowment funds
	2025	2024
	£	£
Donations and gifts	100,000	-
	=====	=====

4 Charitable activities

	School fees and associated income	School fees and associated income
	2025	2024
	£	£
School fees and associated income	5,992,048	5,628,411
	=====	=====
	as restated	as restated
	£	£

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

5 Other income	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net gain on disposal of tangible fixed assets	827	-
Hire of theatre/studios	32,425	-
Rent received - student accommodation	-	188,362
	<u>33,252</u>	<u>188,362</u>

6 Charitable activities

	Education 2025 £	Education 2024 as restated £
Staff costs	3,425,247	3,278,307
Depreciation and impairment	58,980	46,923
Production costs	172,105	226,458
School books and equipment	55,105	48,180
Exam fees	73,864	67,665
Telephone	19,300	14,924
Printing, postage and stationery	19,228	21,303
Licenses	27,196	23,887
Catering and cleaning contract	690,670	689,627
Motor expenses	3,341	7,201
School transport	91,950	102,087
School trips	66,922	139,485
General expenses	292,789	123,929
Degree course expenses	199,308	178,469
Subscriptions and donations	18,747	20,858
	<u>5,214,752</u>	<u>4,989,303</u>

Share of support costs (see note 7)
Share of governance costs (see note 7)

658,863	680,126
<u>140,137</u>	<u>121,757</u>
<u>6,013,752</u>	<u>5,791,186</u>

Analysis by fund

Unrestricted funds - general
Restricted funds

6,012,219	5,788,532
<u>1,533</u>	<u>2,654</u>
<u>6,013,752</u>	<u>5,791,186</u>

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

7 Support costs allocated to activities	2025	2024
	£	£
Operating lease charges	7,536	11,042
Rent and rates	121,435	170,348
Insurance	38,751	35,011
Light and heat	140,345	132,453
Repairs and renewals	68,183	75,770
Ground maintenance	32,616	31,336
Cleaning	20,462	25,515
Advertising and marketing	23,121	26,032
Recruitment	45,602	28,285
Bad debts	31,230	(3,263)
Bank loan interest	129,582	147,597
Governance costs	140,137	121,757
	<u>799,000</u>	<u>801,883</u>
	<u>799,000</u>	<u>801,883</u>
Analysed between:		
Charitable activities		
	<u>799,000</u>	<u>801,883</u>
	<u>799,000</u>	<u>801,883</u>
Governance costs comprise:		
Audit fees	12,272	14,144
Legal and professional	106,173	87,231
Bank charges	21,692	20,382
	<u>140,137</u>	<u>121,757</u>
	<u>140,137</u>	<u>121,757</u>
8 Net movement in funds	2025	2024
	£	£
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	12,272	14,144
Depreciation of owned tangible fixed assets	58,980	46,923
Operating lease charges	7,536	11,042
	<u>78,788</u>	<u>72,110</u>
	<u>78,788</u>	<u>72,110</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 2025

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Full time	68	66
Part time	34	44
	102	110

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

Teaching	53	52
Non-Teaching	34	36
	87	88

Employment costs

	2025 £	2024 £
Wages and salaries	3,025,447	2,941,959
Social security costs	324,302	264,903
Other pension costs	75,498	71,445
	3,425,247	3,278,307

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

	2025 Number	2024 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	-	-
£80,000 - £90,000	1	1
	1	1

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

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 £
Cost or valuation						
At 1 August 2024 (as restated)	6,076,661	323,478	911,808	296,888	31,762	7,640,597
Additions	126,005	53,104	46,226	21,949	6,995	254,279
Disposals	-	-	-	-	(31,762)	(31,762)
At 31 July 2025	6,202,666	376,582	958,034	318,837	6,995	7,863,114
Depreciation and impairment						
At 1 August 2024	-	104,060	717,003	283,020	31,339	1,135,422
Depreciation charged in the year	-	24,338	23,604	10,164	874	58,980
Eliminated in respect of disposals	-	-	-	-	(31,339)	(31,339)
At 31 July 2025	-	128,398	740,607	293,184	874	1,163,063
Carrying amount						
At 31 July 2025	6,202,666	248,184	217,427	25,653	6,121	6,700,051
At 31 July 2024 (as restated)	6,076,661	219,419	194,805	13,868	423	6,505,176

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 2025, 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 2024 (as restated)	7,505,134
Additions	126,005
Cost at 31 July 2025	7,631,139

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

13 Debtors			
Amounts falling due within one year:		2025	2024
		£	£
Trade debtors		106,171	102,714
Prepayments and accrued income		67,926	94,432
		<u>174,097</u>	<u>197,146</u>

14 Creditors: amounts falling due within one year		2025	2024
	Notes	£	as restated
			£
Bank loans and overdrafts	16	576,527	401,480
Other taxation and social security		262,372	58,615
Trade creditors		467,420	442,480
Other creditors		212,555	257,371
Accruals and deferred income		524,282	522,150
		<u>2,043,156</u>	<u>1,682,096</u>

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

Deferred income of £133,960 (2024 - £102,953) 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		2025	2024
	Notes	£	£
Bank loans	16	1,756,619	1,957,192

THE HAMMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

16 Loans and overdrafts	2025	2024
	£	£
Bank overdrafts	384,762	255,211
Bank loans	1,948,384	2,103,461
	<u>2,333,146</u>	<u>2,358,672</u>
	<u>576,527</u>	<u>401,480</u>
Payable within one year	1,756,619	1,957,192
Payable after one year	<u>576,527</u>	<u>401,480</u>

Analysis of debt maturity

Within one year or on demand	576,527	401,481
Between one and two years	203,643	184,552
Between two and five years	690,104	369,104
After five years	862,872	1,403,535
	<u>2,333,146</u>	<u>2,358,672</u>

The bank loans are secured by a first legal charge over the company's freehold property. The first loan, for £1.9M over 17 years, has an interest rate of 0.95% over the bank's base rate. The second loan, for £319K over 8 years, has an interest rate of 2.25% over the bank's base rate. The third loan, for £700k over 10 years, has an interest rate of 2.75% over the bank's base rate. The secured bank loans and overdraft represent 36% of the value (2024 - 37%) of the freehold property they are secured against based on its market value per the accounts at 31 July 2025.

17 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be applied towards the purposes of the fund, namely supporting student(s) from Cheshire who demonstrate exceptional talent, and is recognised as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 August	At 31 July
	2024	2025
	£	£
Permanent endowments		
Prince's Pursary	<u>-</u>	<u>100,000</u>

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

18	Share capital		2025	2024
			£	£
	Ordinary share capital issued and fully paid			
	10,000 Ordinary shares of £1 each		10,000	10,000

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 2024	Resources expended	At 31 July 2025
	£	£	£
Diverse Dance Project	9,631	(1,533)	8,098
Previous year:			
Diverse Dance Project	12,285	(2,654)	9,631

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.

THE HAMMOND SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

22	Operating lease commitments		(Continued)
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.		
	Aggregate compensation	2025 £	2024 £
		507,984	383,175

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 £nil (2024 - £1,243) during the year in respect of Legal and Professional charges. Income of £nil (2024 - £120) was recognised for advertisement within concert programmes. These charges and income have been incurred at fair market value.

24	Cash generated from/(absorbed by) operations		
		2025 £	2024 as restated £
	Surplus for the year	111,548	25,587
	Adjustments for:		
	Gain on disposal of tangible fixed assets	(827)	-
	Depreciation and impairment of tangible fixed assets	58,980	46,923
	Movements in working capital:		
	Decrease in debtors	23,049	959,371
	Increase/(decrease) in creditors	186,013	(1,087,082)
	Cash generated from/(absorbed by) operations	378,763	(55,201)

THE HAMMOND SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

25 Analysis of changes in net (debt)/funds	At 1 August 2024	Cash flows	At 31 July 2025
	£	£	£
Cash at bank and in hand	1,637	100,209	101,846
Bank overdrafts	(255,211)	(129,551)	(384,762)
	(253,574)	(29,342)	(282,916)
Loans falling due within one year	(146,269)	(45,496)	(191,765)
Loans falling due after more than one year	(1,957,192)	200,573	(1,756,619)
	(2,357,035)	125,735	(2,231,300)

26 Prior period adjustment

During the year, it was identified that certain capital additions had been duplicated and a related prior year accrual had not been released. A prior year adjustment has been made to remove the duplicated additions, release the associated accrual and correct a small number of other minor opening balance differences.

This restatement reduces tangible fixed assets at 31 July 2024 by £327,960, reduces creditors falling due within one year by £284,535 and reduces net assets by £43,425. The comparative net movement in funds for the year ended 31 July 2024 is reduced by £43,425.

Changes to the balance sheet

	At 31 July 2024	
	As previously reported	As restated
	£	£
Fixed assets		
Tangible assets	6,833,136	(327,960) 6,505,176
Creditors due within one year		
Other creditors, accruals and deferred income	(1,064,056)	284,535 (779,521)
Net assets	3,108,096	(43,425) 3,064,671
Income funds		
Restricted funds	9,631	- 9,631
Unrestricted funds	3,088,465	(43,425) 3,045,040
Total funds	3,098,096	(43,425) 3,054,671

THE HAMMOND SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025**

26 Prior period adjustment	(Continued)		
Changes to the statement of financial activities	Period ended 31 July 2024		
	As previously reported	Adjustment	As restated
	£	£	£
Charitable activities - income	5,659,676	(31,265)	5,628,411
Charitable activities - expenditure	5,779,026	12,160	5,791,186
Net movement in funds	69,012	(43,425)	25,587

