

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

Annual report and financial statements

For the year ended

31 August 2018

Company No: 2643515

Charity registered in England No: 1006411

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ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report

Year ended 31 August 2018

The Trustees have prepared their annual report for the year ended 31 August 2018 in accordance with the Companies Act 2006, the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS102).

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

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

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

TRUSTEES

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

Mr D H Rands (Chairman)
Mr K Wilkins (Treasurer)
Mrs S McCarron
Mr P Minns
Mr K K Murphy
Miss D Rowe (resigned 29 January 2018)
Mr S Murphy
Mr R M Carlyle (appointed 14 March 2018)

Trustees are elected by the members of the company. One third of Trustees retire by rotation at each Annual General Meeting (AGM) and are eligible for re-election. The Trustees who retire each year are those who have been longest in office since their last election. The Trustees who retired by rotation and were re-elected at the AGM held on 14 March 2018, were Susan McCarron and Keith Wilkins. In addition Mr Robert M Carlyle, who had been appointed since the previous Annual General Meeting, was re-appointed.

COMPANY SECRETARY

Mrs Janice Lightley (to 10 August 2018)
Mrs Sara Gibbins (from 13 August 2018)

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2018

GOVERNORS

The Governors who served during the year were as follows:-

Mrs S McCarron ^{1 2 3}	(Chairman)
Mr K K Wilkins ¹	(Ex-Officio)
Mr D H Rands	(Ex-Officio)
Mr R M Carlyle ³	
Mrs A Gethin	
Mrs A Granger	
Dr D Harris ²	
Sr P Harriss	
Mr S Murphy ¹	
Mr M O'Reilly ³	
Mrs M Snowden	

¹ Member of the Finance and General Purposes Committee

² Member of the Health and Safety Committee

³ Member of the Education and Staffing Committee

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

KEY MANAGEMENT PERSONNEL AND PROFESSIONAL ADVISORS

Headmistress	Mrs H Connor-Earl
Consultant Bursar	Mrs Janice Lightley (up to 10 August 2018)
Bursar	Mrs Sara Gibbins (currently and from 13 August 2018)
Acting Deputy Head	Mrs K McGlashan Sykes (up to 31 December 2017)
Deputy Head	Miss P Walker (currently and from 1 September 2018)
Independent Auditor	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Bankers	Barclays Bank PLC 28 Hampstead High Street London NW3 1QB

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2018

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The School is governed by the Memorandum of Association which was amended on 8 October 1991, 23 April 1993, 14 June 1993 and 26 April 2006 and its Articles of Association which were amended on 8 October 1991 and 20 April 2005. The Governors serve under Regulations as revised on 28 November 2018. The School's mission statement is dated September 2011.

Trustees and Governors

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

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

Recruitment, Appointment, Induction and Training of Trustees and Governors

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

To facilitate communication, induction and training at Governor and Trustee level, the Governors' Handbook is regularly updated. The main information section includes the Memorandum of Association, Articles of Association, Mission Statement, Trustees' strategic direction for the period 2017-2019, School Operational Targets, Board of Governor Regulations, Governor appointment procedures, training opportunities and training undertaken by both Trustees and Governors over the previous five-year period along with a Code of Conduct.

Roles and responsibilities are covered with main job descriptions and responsibilities including those of the Chair of Trustees, Chair of Governors, Safeguarding Governor, Governors, Headmistress, Deputy Head, Bursar, Senior Leadership Team (SLT) and Senior Management Team (SMT). Terms of Reference are included for all committees, along with membership lists and the key policies and documents.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2018

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

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

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

Third Party Indemnity Provision for Trustees

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the School.

Organisational management

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

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

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

The day to day management is delegated by the Governors to the key management personnel as defined on page 2, led by the Headmistress.

Remuneration of Key Management Personnel

The remuneration of key management personnel is set by the Trustees, with the policy objective of ensuring that they are provided with appropriate compensation to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on the key management personnel.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2018

Relationships

The School is an active member of the following organisations:

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

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

OBJECTIVES AND ACTIVITIES

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

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

When exercising their powers and duties and in particular when setting fees charged by the school and when identifying the benefits provided by the School in relation to its aims, the Trustees seek to achieve a fair balance between benefits provided and the need for the School to maintain a prudent financial position. Bursary funds are limited and those judged most suitable in accordance with the School's Admissions Policy are given priority. The Trustees ensure that beneficiaries are not unreasonably restricted by way of geographical or other restrictions or ability to pay fees such that people with limited financial resources are not excluded from the opportunity to benefit and that there are no private benefits from the School other than those that are purely incidental.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2018

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

AUDITOR

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Trustees (who are also company directors) who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information which has not been disclosed to the auditor. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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


D H Rands
Chairman
28 November 2018

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic Report

Year ended 31 August 2018

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

The Trustees have prepared the following strategic report of St Mary's School, Hampstead for the year ended 31 August 2018 in accordance with the Companies Act 2006.

AIM, ACHIEVEMENTS AND PERFORMANCE

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

In November 2017 the School was subject to a regulatory compliance inspection by the Independent Schools Inspectorate. The report of that inspection identified three out of eight areas where the School did not meet the required standards. Following remedial activities, the School was found to meet the standards upon re-inspection in April 2018.

The School has continued to provide a Catholic preparatory education for girls aged 2 ¾ to 11 and boys aged 2 ¾ to 7. The pupil numbers for the year averaged 303, 61% Catholic (2017: 300, 61% Catholic).

During the year bursaries of £163,920 (2017: £94,500) were awarded in line with the School's policy on financial support. Bursaries and hardship payments are awarded based on financial means testing. The amount awarded to any pupil may vary depending on individual family circumstances and can cover up to 100% of the school fees plus other costs connected to attendance. These awards are reviewed annually. Prospective parents are made aware of the Bursary policy through a variety of ways, including a prominent position on the website. During the year the School has also provided a grant of £15,000 to support a Roman Catholic state funded school in its promotion and provision of Roman Catholic education. This grant was provided to enable the school to employ a counsellor for a year, new seating for their outdoor areas and chairs for their chapel.

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

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

Community activities in the year to 31 August 2018 were wide ranging and to the benefit of both local and international communities.

The School has assisted current and potential members of the Roman Catholic Church through preparing 16 (2017: 23) children who received their First Holy Communion in the School Chapel. Four baptisms were also conducted in the School Chapel during the year. The school holds weekly Masses for whole community, parents, staff and

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic report (continued)

Year ended 31 August 2018

children. There is an Act of Collective Worship everyday which links to the Sunday Gospel reading. The children take part in a service or a Mass each week as well as Hymn Practice. The school has an active prayer council consisting of Year 6 children who promote the Catholic faith to younger members of the school.

The School has provided support and resources to assist the training of individual members of staff of the School and other schools, including organising training for EYFS staff from other local settings to enhance the delivery of their ICT curriculum, supporting EYFS settings to enable them to complete internal moderation and providing work experience to individuals applying for teacher training. We sent our music teacher half a day a week to a local primary school which did not have music provision and she taught the class and also then gave In-Service Training ("INSET") to the whole staff on how to teach music for a term.

During the year the School supported the education of three full-time pupils with Education and Healthcare Plans and one part-time pupil (2017: three full-time).

The School encourages charitable activities throughout the year with various fund raising activities. During the course of the year £9,450 (2017: £5,200) was raised through fundraising activities within the School, including by the PTA, for a number of third party charities and appeals. These included Save the Children, Doorstep and the Poppy Appeal. In addition, the School held a number of Food Drives and Clothes Drives. These funds are not accounted for as school funds.

Work by the Bursar and Premises Manager is monitored by the Health and Safety Committee which continues to ensure full compliance with all legislative requirements as well as incorporating rolling repairs with a programme to upgrade facilities on a carefully structured basis. During the year, ten classrooms were fully refurbished in the Key Stage 1 and Key Stage 2 areas of the school. In addition 46 iPads and 90 Chromebooks were purchased as part of the programme to provide all pupils with one-to-one access to a device by September 2018.

The School continues to develop the religious and pastoral life of the School with the ongoing service and dedication of the Chaplain, Father Chris Connor, in conjunction with the Religious Education Leader of Learning and the support of all staff. In December 2013 the Diocese of Westminster carried out an Inspection to evaluate how effective the School is in providing Catholic education. The School was found to be outstanding or very good in all aspects of Catholic education. The Catholic life of the School was found to be outstanding.

Pupils at the School continued to perform at a national level well in excess of the standard expectation for their age groups. The Senior School Entrance Examination results show that the School continues to secure places at a wide range of leading London day schools and out-of-London boarding schools. Enquiries for places continue to rise and there are healthy waiting lists for entry to the School going forward. The school is not academically selective but pursues and achieves high academic standards. In 2017-18 the Year 6 leavers went on to academically selective schools and achieved 17 scholarships across the cohort. All children from Year 1-6 are assessed three times a year using age standardised tests. These show that the majority of children are performing at the national average or above.

St Mary's School, Hampstead staff continue to participate in high quality external Professional Development courses and in-house training. All this serves to enrich the teaching style of the whole School and continues to be an important aspect of the Appraisal Policy. There were five whole School INSET days during the year. Governors and Trustees also participate in internal, external and online training.

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic Report (continued)

Year ended 31 August 2018

Principal Risks and Uncertainties

The Trustees undertake an annual risk review to identify major risks to which the Charity is exposed. This review includes a full evaluation and thorough assessment of the primary risks relating to the key areas of the Charity as defined below and how these risks can be best minimised to reduce their potential impact on the School. The major risk areas are:

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

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

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

Fundraising

The School has not undertaken any fundraising for its own purpose in the year to 31 August 2018 (2017 £nil).

FINANCIAL RESULTS

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

The total incoming resources for the year were £4,373,248 (2017: £4,205,699). The total outgoing resources were £4,368,796 (2017: £4,041,644). The net incoming resources for the year amounted to £4,452 (2017: £164,025).

At 31 August 2018, the total funds of the School were £5,011,690 (2017: £5,007,238). All the School funds as at 31 August 2018 are unrestricted and are held for use by the School. Its assets are sufficient to meet its obligations. The funds are being used to help finance current and future operational and capital projects.

RESERVES POLICY

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

Specific reasons to hold reserves are:

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

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic Report (continued)

Year ended 31 August 2018

In considering the level of reserves that should be held, the Trustees test the policy level against various scenarios to ensure that adequate levels of reserves are held. In doing so, the Trustees have set a target range for free reserves (being total funds less any restricted funds and fixed assets) equivalent to the annual fee value resulting from a drop in pupil numbers of ten to thirty-three percent. At 31 August 2018, this range was between £421,200 and £1,404,000.

At 31 August 2018, the total funds of the School were £5,011,690 (2017: £5,007,238) while the net book value of fixed assets totalled £4,105,646 (2017: £3,990,703) resulting in free reserves of £906,044 (2017: £1,016,535).

The School plans to continue making surpluses to reach the top end of the target for free reserves. In the meantime, the Trustees are satisfied there is adequate working capital for the going concern status of the School to be assured.

PLANS FOR THE FUTURE

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

During the year to 31 August 2019, the School plans to continue its programme of refurbishment with the renovation of the top floor of the school and further development of the Early Years Block to facilitate even greater access to the outdoor environment. In addition that School plans to further develop the Religious Education curriculum.

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


D H Rands
Chairman
28 November 2018

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

Opinion

We have audited the financial statements of St Mary's School, Hampstead (the 'charitable company') for the year ended 31 August 2018 which comprise the Balance Sheet, Statement of Financial Activities, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Respective responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

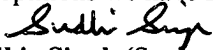
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Sudhir Singh (Senior Statutory Auditor)

For and on behalf of:

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

New Bridge Street House

30-34 New Bridge Street House

London

EC4V 6BJ

20 December 2018

ST MARY'S SCHOOL, HAMPSTEAD

Statement of Financial Activities (incorporating Income and Expenditure Account) for the year ended 31 August 2018

	Note	Unrestricted Total 2018 £	Unrestricted Total 2017 £
Income			
Investment income – interest receivable		11,441	11,178
Donations		8,409	1,000
Charitable activities:			
School operations:	2a		
Gross Fees receivable		4,044,400	3,889,997
Less: Bursaries		(163,920)	(94,500)
		<u>3,880,480</u>	<u>3,795,497</u>
Ancillary Income	2a	472,918	397,994
		<u>4,353,398</u>	<u>4,193,491</u>
TOTAL INCOME		<u>4,373,248</u>	<u>4,205,669</u>
Expenditure			
Charitable activities:			
School operating costs		(4,353,796)	(4,036,382)
Educational Grants		(15,000)	(5,262)
		<u>(4,368,796)</u>	<u>(4,041,644)</u>
TOTAL EXPENDITURE	3	<u>(4,368,796)</u>	<u>(4,041,644)</u>
Net income and net movement in funds for the year		<u>4,452</u>	<u>164,025</u>
<i>Reconciliation of funds</i>			
Total funds brought forward		<u>5,007,238</u>	<u>4,843,213</u>
Total funds carried forward	10	<u>5,011,690</u>	<u>5,007,238</u>

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

The notes on pages 17 to 26 form part of these Financial Statements.

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

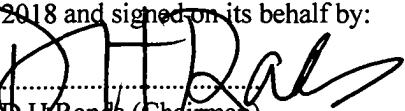
ST MARY'S SCHOOL, HAMPSTEAD

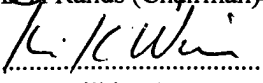
Company No: 2643515

**Balance Sheet
at 31 August 2018**

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	5	4,105,646	3,990,703
Current assets			
Debtors	6	126,152	59,233
Cash at bank and in hand		2,033,387	2,035,451
		<u>2,159,539</u>	<u>2,094,684</u>
Liabilities: Amounts falling due within one year	7	(924,631)	(765,698)
		<u> </u>	<u> </u>
Net current assets		1,234,908	1,328,986
		<u> </u>	<u> </u>
Total assets less current liabilities		5,340,554	5,319,689
		<u> </u>	<u> </u>
Liabilities: Amounts falling due after more than one year	8	(237,890)	(214,000)
Provisions for Liabilities	9	(90,974)	(98,451)
		<u> </u>	<u> </u>
Net Assets		5,011,690	5,007,238
		<u> </u>	<u> </u>
Funds			
Unrestricted Funds:			
General Funds	10	906,044	1,016,535
Tangible Fixed Assets Fund	10	4,105,646	3,990,703
		<u> </u>	<u> </u>
Total Funds		5,011,690	5,007,238
		<u> </u>	<u> </u>

The Financial Statements on pages 14 to 26 were approved by the Board and authorised for issue on 28 November 2018 and signed on its behalf by:


D H Rand (Chairman)


K K Wilkins (Treasurer)

The notes on pages 17 to 26 form part of the Financial Statements.

ST MARY'S SCHOOL, HAMPSTEAD
Company No: 2643515
Statement of Cash Flows
at 31 August 2018

	Notes	2018	2017
		£	£
Cash provided by operating activities	15	361,070	474,760
Cash flows from investing activities			
Bank interest received		11,441	11,178
Purchase of Tangible Fixed Assets		<u>(374,575)</u>	<u>(390,755)</u>
Cash used in investing activities		<u>(369,734)</u>	<u>(379,577)</u>
Increase/(Decrease) in cash and cash equivalents in the year		(2,064)	95,183
Total cash and cash equivalents and the beginning of the year		<u>2,035,451</u>	<u>1,940,268</u>
Total cash and cash equivalents at the end of the year		<u>2,033,387</u>	<u>2,035,451</u>

The notes on pages 17 to 26 form part of the Financial Statements.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2018

1. Accounting policies

a. Basis of preparation and Going Concern

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standards applicable to the UK and the Republic of Ireland (FRS102) (effective 1 January 2015) issued on 16 July 2014 and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS102.

The School's key activity of providing a Roman Catholic education is such that fee income represents the majority of the School's income. Fee income is billed approximately six weeks before, and a significant amount is paid by the start of term. Forecasts for 2018/19 and 2019/20 have been produced on this basis and provided to the Trustees. No material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern particularly in the 12 months from the date of the signing of the Financial Statements, have been identified by the Trustees. The functional and presentational currency is sterling and amounts are rounded to the nearest pound.

b. Income

Fees receivable consist of charges billed for the school year 2017/2018. Fees received for education provided in future years are carried forward as deferred income (fees received in advance). Other fee income consists of additional fees from tuition classes, lunches and registration fees which is accounted for on a receivable basis. Donations and income from fundraising activities are recognised when the School has entitlement to the receipt of the income, it can accurately measure the amount and it is probable that the economic benefits associated with the transaction will flow to the School. Donations are recognised on a receivable basis. Fundraising activities undertaken within the School for other Charities is treated as funds held for third parties and any amounts held at the year-end are shown in the balance sheet.

c. Assets

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

d. Depreciation

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

Freehold buildings	2½% to 10% on cost
Furniture, equipment and IT	20% to 33⅓% on cost

Land is not depreciated.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2018

e. Pension Costs

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

The School also contributes to personal defined contribution pension schemes for staff other than teachers and these contributions are accrued accordingly.

f. Deposits

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

g. Expenditure

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

h. Operating leases

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

i. Financial Instruments

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

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

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

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

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2018

j. Cash at Bank and in Hand

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

k. Corporation Tax

The School is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The School is a registered charity and as such is not subject to taxes on its primary purpose income which is applied in pursuing its charitable objects.

2a. School operation income	2018	2017
	£	£
Gross School fees receivable	4,044,400	3,889,997
Less Bursaries	(163,920)	(94,500)
	<u>3,880,480</u>	<u>3,795,497</u>
Ancillary Income:		
Extras	262,111	205,775
Lunches	189,278	172,141
Registration fees	15,851	15,035
Other	5,678	5,043
	<u>472,918</u>	<u>397,994</u>
	<u><u>4,353,398</u></u>	<u><u>4,193,491</u></u>

All income in 2017 and 2018 was for unrestricted funds.

2b. Net movement in funds	2018	2017
	£	£
Net movement in funds is stated after charging:		
Auditor's remuneration (including VAT):		
External audit (current year)	13,320	14,487
Operating lease charges	5,932	6,884
Depreciation	259,632	174,600
	<u><u>279,284</u></u>	<u><u>196,171</u></u>

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2018**

3. Charitable Expenditure

All expenditures for the years ended 31 August 2018 and 31 August 2017 was for unrestricted funds.

Analysis of charitable activities expenditure and educational grants:

	Direct Costs £	Support costs £	Total 2018 £
2018 Charitable expenditure -			
Charitable expenditure -			
School operating costs:			
Teaching costs	2,675,647	-	2,675,647
Catering	221,726	-	221,726
Premises	729,779	-	729,779
School administration	<u>262,034</u>	<u>464,610</u>	<u>726,644</u>
	3,889,186	464,610	4,353,796
 Educational Grants:			
Roman Catholic state funded school	15,000	-	15,000
	<u>3,904,186</u>	<u>464,610</u>	<u>4,368,796</u>
	<u> </u>	<u> </u>	<u> </u>
	Direct Costs £	Support costs £	Total 2017 £
2017 Charitable expenditure -			
Charitable expenditure -			
School operating costs:			
Teaching costs	2,472,764	-	2,472,764
Catering	227,386	-	227,386
Premises	660,674	-	660,674
School administration	<u>291,974</u>	<u>383,584</u>	<u>675,558</u>
	3,562,798	383,584	4,036,382
 Educational Grants:			
Mary Ward School & Children's Home	5,262	-	5,262
	<u>3,568,060</u>	<u>383,584</u>	<u>4,041,644</u>
	<u> </u>	<u> </u>	<u> </u>

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2018**

3. Charitable Expenditure (continued)

Support costs:	2018	2017
	£	£
School administration - staff costs	421,067	359,107
Governance costs:		
Audit fees	13,320	14,487
Legal and professional fees	30,223	9,990
	<u>464,610</u>	<u>383,584</u>
	2018	2017
	£	£
Staff costs include:		
Wages and salaries	2,025,923	1,871,424
Social security costs	203,386	192,573
Pension contributions	236,184	232,316
Supply staff costs	182,174	214,336
	<u>2,647,667</u>	<u>2,510,649</u>
Total employee benefits of key management personnel, including employers' pension contributions and employer's national insurance contributions	<u>£276,228</u>	<u>£283,386</u>

The members of the key management personnel are Trustees, Governors and senior staff members as listed on page 2.

Governors' and Trustees' remuneration and expenses

No remuneration or benefits were provided to any governors or Trustees during the year other than the School purchasing Trustees' and Governors' indemnity insurance to provide cover of up to £1 million. The premium for 2018 was £946 (2017: £2,656).

In the year to 31 August 2018, three Trustees and three Governors were reimbursed £2,679 (2017: £4,403 three Trustees and three Governors) in respect of gifts, travel expenses and dinner with key personnel.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2018

The number of employees whose emoluments exceeded £60,000 was:	2018	2017
	No.	No.
£60,000 - £70,000	1	1
£90,000 - £100,000	<u>1</u>	<u>1</u>

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

	2018	2017
	No.	No.
The average number of employees during the year was:		
Teaching	55	47
Other	14	11
	<u>69</u>	<u>58</u>

4. Taxation

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

5. Tangible fixed assets

	Land £	Freehold Buildings £	Furniture & Equipment £	Total £
Cost				
At 1 September 2017	1,000,000	3,548,644	612,905	5,161,549
Additions	-	-	374,575	374,575
Disposals	-	-	(64,452)	(64,452)
At 31 August 2018	<u>1,000,000</u>	<u>3,548,644</u>	<u>923,028</u>	<u>5,478,272</u>
Depreciation				
At 1 September 2017	-	889,206	281,640	1,170,846
Charge for year	-	112,545	147,087	259,632
On Disposals	-	-	(64,452)	(64,452)
At 31 August 2018	<u>-</u>	<u>1,001,751</u>	<u>364,275</u>	<u>1,366,026</u>
Net book value				
At 31 August 2018	<u>1,000,000</u>	<u>2,546,893</u>	<u>558,753</u>	<u>4,105,646</u>
Net book value				
At 31 August 2017	<u>1,000,000</u>	<u>2,659,438</u>	<u>331,265</u>	<u>3,990,703</u>

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2018**

5. Tangible Fixed Assets (continued)

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

6. Debtors	2018 £	2017 £
Fees	62,644	39,471
Other debtors	1,919	1,293
Prepayments	61,589	18,469
	126,152	59,233

Fees outstanding are stated after a provision for doubtful debts of £5,000 (2017: £5,000).

7. Creditors: Amounts falling due within one year	2018 £	2017 £
Trade creditors	163,586	199,991
Fees received in advance	578,222	412,139
Fee deposits	29,000	28,000
Other taxes and social security	54,183	47,396
Accruals and deferred income	59,995	40,198
Pension contributions	30,723	28,488
Other creditors	8,922	9,486
	924,631	765,698

Deferred Income	2018 £	2017 £
Brought forward at 1 September 2017	1,012	11,980
Resources deferred in the year	1,730	1,012
Resources released to SOFA in year	(1,012)	(11,980)
Deferred Income at 31 August 2018	1,730	1,012

Deferred income is amounts received from parents in advance in respect of residential trips.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2018**

8. Creditors: Amounts falling due after more than one year	2018	2017
	£	£
Fee deposits	237,890	214,000
	<u> </u>	<u> </u>

9. Provision for liabilities

An amount of £90,974 has been provided at 31 August 2018 (2017: £98,451) in respect of a liability for employers' contributions to the Teachers' Pension Scheme for part-time peripatetic members of staff who either joined the School or received a new contract after 1 January 2007.

	2018	2017
	£	£
Brought forward at 1 September 2017	98,451	102,972
Released to SOFA in year	(7,477)	(4,521)
	<u> </u>	<u> </u>
Provision for liabilities at 31 August 2018	90,974	98,451
	<u> </u>	<u> </u>

The timing and amount of the outflow of the remaining provision is uncertain as the liability in respect of each member is subject to individual agreement with the Teachers' Pensions Scheme. However, it is expected that the majority of the remaining liability will be settled within the year ended 31 August 2019.

10. Unrestricted funds

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2018 £
General funds	1,016,535	4,373,588	(4,369,136)	(114,943)	906,044
Tangible fixed assets fund	3,990,703	-	-	114,943	4,105,646
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,007,238	4,373,588	(4,369,136)	-	5,011,690
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2018**

10. Unrestricted funds (continued)

For comparative purposes the movement on funds in 2016-17 were as follows:

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2017 £
General funds	1,068,665	4,205,669	(4,041,644)	(216,155)	1,016,535
Tangible fixed assets fund	3,774,548	-	-	216,155	3,990,703
	4,843,213	4,205,669	(4,041,644)	-	5,007,238

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

11. Operating leases

	2018 £	2017 £
Hire of equipment		
Annual commitments under non- cancellable operating Leases:		
Payments due within one year	5,548	5,932
Payments due in one to two years	828	5,548
Payments due in two to five years	828	828

12. Pensions

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £207,287 (2017: £201,998). At the year-end £25,968 (2017: £25,354) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2018**

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 September 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Defined Contribution Scheme

The School also runs a pension scheme with Standard Life for those members of staff who are not eligible to join the Teachers' Pension Scheme. This is a money purchase scheme. The School contributes between 1% and 10% of an employee's salary, dependent on length of service. The cost for the year represents the School's contribution to the scheme of £28,897 (2017: £30,819). At the year-end £4,755 (2017: £3,134) was accrued in respect of contributions to this scheme.

13. Related Party Transactions

P Minns, a Trustee, is a partner in the firm of architects, Patrick Minns Associates. During the year the firm charged the School £4,783 (2017: £10,033) for services provided. At the year-end £nil (2017: £3,000) was due to Patrick Minns Associates and is included in the accounts. This service was provided on an arms-length basis.

14. Capital Commitments

The School had capital commitments of £nil at 31 August 2018 (2017: £nil).

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

	2018 £	2017 £
Net incoming resources	4,452	164,025
Add: Depreciation	259,632	174,600
Less: Investment income and bank interest	(11,441)	(11,178)
(Increase)/Decrease in debtors	(66,919)	11,733
Increase in creditors	175,346	135,580
Net cash provided by operating activities	361,070	474,760