

THE MILL HILL SCHOOL FOUNDATION

Company Registration Number: 03404450

Governors' Report & Financial Statements For the year ended 31 August 2020



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Governing Body and Committees

COURT OF GOVERNORS	Election Date	Committee Membership
<u>Chair of the Court of Governors</u> Mr Elliot Lipton, BSc (Hons), MBA, FRSA, FRICS	Appointed on 19 March 2013	Ex-officio (all committees) S & T (Ch)
<u>Vice Chair of the Court of Governors</u> Mrs Sunena Stoneham LLB (Hons), LPC	Appointed on 1 March 2016	P, F, N&G (Chair), S
Professor Eric WFW Alton, MA MB, BS, MD, FRCP, FHEA, FERS, FMedSci	Appointed on 25 March 2015	A (Ch), S
Mrs Charlotte Avery MA (Oxon)	Appointed on 23 September 2017	A
Mr Robin Burdell FCMA	Retired on 1 October 2020	F
Mr Simon Bayliss BSc(Hons), PGCE, MSc	Appointed on 7 October 2020	P
Dr Roger Chapman BSc MB BS FRCGP	Appointed on 12 October 2019	P, C
Mr David J Dickinson DipQS FRICS	Appointed on 20 June 2006	E (Ch), F, S, C
Mr Ian Downie BSc. MIWFM, CEM Dip FM	Appointed on 28 March 2020	E, C
Mr Paul Dunleavy BA (Hons) CISSP- ISSAP CISM CDPO MBCS	Appointed on 16 May 2020	A, E, S
Mr Jamie Hornshaw, BEd (Hons), MEd, NPQH	Retired on 12 December 2020	A
Mr R A Elliott Lockhart MA MPhil	Appointed on 14 September 2013	A, S, T
Mrs Stephanie J Miller BA	Appointed on 16 March 2013	A, N&G, S
Mr Andrew Millet BA MBA FCA	Appointed on 24 March 2018	F (Ch), N&G, S, EC
Mrs Mary Moore MSC BA FCIPD	Appointed on 28 March 2020	F, S
Ms Sophie Mortimer BA	Appointed on 23 September 2016	P (Ch), C
Mr Noyan Nihat	Appointed on 12 December 2020	F
Mrs Mangal Patel MBA	Appointed on 20 September 2014	A, E, S
Mr Mark Skelly BEng (Hons) PhD RAEngVTF	Appointed 20 June 2020	E, S
Mr Andrew Welch MA (Oxon)	Deceased 14 April 2020	P, N&G

A – Academic Committee, C- Covid Committee, E – Estates Committee, EC – Enterprise Council Committee, F - Finance Committee, P – Pastoral Committee, N&G – Nominations & Governance Committee, S – Strategy Committee, T - Trustees Committee, Ch – Chair of Committee.

Annual report of the Governors

The Governors present their Annual Report and audited consolidated financial statements prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011. All matters that are included in the Strategic Report are included in the Report of the Governors.

Charitable Aims and Objectives

The Foundation's purpose, as set out in the Articles of Association, and its charitable object is to promote and provide for the advancement of education of pupils of any age. Further details can be obtained from The Clerk to the Court of Governors, Walker House, The Ridgeway, Mill Hill, London NW7 1AQ.

The Foundation's aims and objectives are set by the Court of Governors to reflect the charitable object and aims of the Foundation. The annual key strategic objectives for the Foundation are derived from the Charity's longer term strategy which is set out in The Mill Hill School Foundation Development Plan, which has been updated and revised to cover the period 2018-2021. This Plan is reviewed annually and regularly updated by the Governors in consultation with the Executives. This plan is complemented by a 10-year cash flow forecast to identify trends and inform financial planning. In setting the objectives and planning the activities, the Governors give careful consideration to the Charity Commission's public benefit guidance. In shaping the Foundation's objectives for the year and planning its activities, the Governors as Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Structure, Governance and Management of the Foundation

The Foundation is a company limited by guarantee, number 3404450, and a registered Charity, number 1064758. The Foundation's governing document is its Memorandum and Articles. During the financial year it comprised of four co- educational schools:

- Mill Hill School, founded in 1807 for pupils aged 13-18, day and boarding;
- Belmont School, founded in 1912, for pupils aged 7-13, day only;
- Grimsdell School, founded in 1995, for pupils aged 3-7, day only; and
- The Mount, Mill Hill International, founded in 2015, for pupils aged 13-17, day and boarding.

On 5th March 2021 a further school joined the Foundation, Cobham Hall School a day and boarding school for girls aged 11-18.

The Governors of the Foundation, as Directors of the Company, are also the Charity's Trustees. Governors who served during the period 1 September 2019 to the date when the Accounts were signed are shown on page 2.

In support of its charitable objectives, the Foundation operates Mill Hill School Enterprises as a wholly-owned subsidiary with its own separate Board of Directors. Mill Hill School Enterprises was incorporated on 11 January 1983, number 1690525, and is a company limited by guarantee under the Companies Act 1948, now replaced by Companies Act 2006. Its accounts are consolidated into the financial statements of the Foundation.

Governance and Management of the Foundation

Governors (other than Governors appointed to fill casual vacancies) are elected at the Annual Meeting of Life Guardians. Life Guardians duties are set out in the Foundation's Articles of Association. Membership of the Life Guardians is open to all former pupils of Mill Hill School. The Court of Governors meets at least four times a year and determines the general policies of the Foundation. Members of the Court of Governors are responsible for the management of risks faced by the Foundation. They delegate the implementation of policy and overall management of the Foundation to standing Sub-committees of the Court of Governors, all of which are chaired by a Governor or to the Executives, as appropriate, who report regularly to the Governors. A scheme of delegation formalising responsibilities between Governors, Committees and the Executives has been created and introduced from September 2019; it will be reviewed and developed further with the appointment of the CEO and DFR.

All Governors give of their time on a pro bono basis and receive no remuneration. Related party transactions are shown in note 23 to the Accounts. Any expenses reclaimed by Governors from the Foundation are shown in note 10 to the Accounts. As defined by Section 234 of the Companies Act 2006, a qualifying third party indemnity was in force throughout the last financial year and is currently in force. The Foundation also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Each Governor is elected for a term of three years, with the exception of casual vacancies which are filled only until the conclusion of the next Annual General Meeting of the Life Guardians, usually held during the Spring Term. Elected Governors can be re-elected and can serve up to a maximum of four consecutive terms. The Chair and Vice Chair may serve for additional limited terms. At least five members of the Court of Governors must be Life Guardians. All nominations and elections of Governors are in accordance with the Articles of Association of the Foundation ensuring a broad range of experience and qualifications are represented on the Court. The breadth of experience and expertise of the governing body includes two Head Teachers, a University Professor, a Doctor, a Chartered Accountant, Company Directors, Chartered Surveyor, a Property Developer, Lawyers, an Estates Director, an IT Director and a HR Director. The Foundation provides an induction process for each new Governor covering the Foundation's governance structure, the Governor's role as a trustee

and other issues which affect the Foundation. Governors are encouraged to attend external seminars for Governor and Trustee development for which funding provision is made available.

Section 172 of the Companies Act

During the year the Directors have acted in good faith with the aim of promoting the success of the Foundation and of its members of a whole by having regard to

- the likely consequences of any decision in the long term,
- the interests of the Foundations employees,
- the need to foster the Foundations business relationships with suppliers, customers and others,
- the impact of the Foundations operations on the community and the environment,
- the desirability of the foundation maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the foundation.

Supplier relationships

We value all of our suppliers, fostering long term, mutually beneficial relationships with those critical to the School's success. Suppliers are generally paid on 30 day terms. Key procurement decisions are presented to the Governors by the Executive Team prior to final decisions being made. The Board reviews the procurement policy periodically to ensure the School continues to receive the best value for money.

Antony Spencer joined the foundation as Chief Executive Officer (CEO) in January 2020. Following his appointment he appointed Nicola Marlow as Director of Finance and Resources (DFR) and Sean Ryan as Director of Operations (DO) to his management team. The day-to-day management of the Foundation is delegated to the CEO and his senior leadership team, comprising of the four Heads of the Schools, the DFR and the DO.

Sub-Committees of the Court of Governors

Standing Committee	Composition Voting Members	Composition Non -Voting Members	In Attendance	Number of Meetings 1st Sep 2019 – 31st August 2020
Finance	Governors	CEO DFR DO Executives*	Finance Manager	5
Audit**	Governors	CEO DFR	Auditors Finance Manager	1
Remuneration**	Governors	CEO DFR Executives*		2
Academic	Governors	CEO Executives*	Various academic staff as required	6
Pastoral	Governors	CEO Executives*	Deputy Heads	4
Estates	Governors	CEO DO	Estate Manager	4

		DFR Executives*		
Nomination & Governance	Governors	CEO DFR	Life Guardian	5
Strategy	Governors	CEO DFR DO		2
Covid	Governors	CEO Executives*	Estates Manager	2
Enterprise Council**	Governors	DFR Director of MSHE	Director of Development Finance Manager	1
Bursary**	Governors	CEO DFR Executives*	Finance Manager	1
Trustees**	Governors	CEO DFR	Finance Manager	1

* The Heads of Mill Hill School, Belmont Preparatory School, Grimsdell Pre-Preparatory School and the Mount Mill Hill International.

** In line with the AGBIS recommendations to reduce the number of sub-committees, these committees have been incorporated into the Finance Committee.

Our Aims and Objectives

The Foundation aims to develop thoughtful, motivated and responsible young people with a global outlook through the provision of a first-class education to boys and girls from 3 years to 18 years and to support its pupils in the passage from childhood to adulthood; we help them to thrive and find their own path to happiness and success through the range of curricular and co-curricular opportunities presented by each of our schools. Our principal activity is the education and pastoral care of our pupils.

Aims

To provide excellence in education

- To bring out the best in every individual child
- To develop moral integrity and the confidence in pupils to be themselves
- To nurture pupils from childhood to adulthood
- To build a sense of community and environmental awareness

Objectives

To provide excellence in education by:

- o Providing an optimum environment in which outstanding learning can take place

- o Designing a forward looking curriculum which establishes strengths in the core subjects but is also broad and flexible enough to adapt to the demands of the 21st Century
- o Equipping pupils with the tools and habits of mind that enable them to navigate the global environment
- o Creating a culture across the Foundation that embraces the importance of staff development and wellbeing

To bring out the best in every individual child by:

- o Having high expectations of all pupils and a belief that everyone can achieve and succeed
- o Promoting life-long learning and well-being
- o Encouraging compassion and social responsibility in pupils through giving time, talents and treasures
- o Providing a breadth of experiences and opportunities to enable pupils to find their niche

To develop moral integrity and the confidence in pupils to be themselves by:

- o Practising respect and tolerance in our multi faith and multi-cultural environment, through an understanding of Christian values and traditions
- o Enabling pupils to find the courage to stand up for what they believe in
- o Providing opportunities to develop socially responsible pupils
- o Encouraging pupils to be self-aware, resilient and to celebrate their individuality
- o Motivating pupils to recognise the local, national and international context of their own education

To nurture pupils from childhood towards adulthood by:

- o Providing a wide range of activities that enable pupils to develop the skills and attributes of confidence, curiosity, independent thinking, creativity, leadership and team work, resilience, emotional intelligence and adaptability
- o Cultivating interests, talents and disciplines that will enhance the pupils' experience of life, now and in the future
- o Providing a continuity of ethos within all four schools and effective transition of pupils

To build a sense of community and environmental awareness by:

- o Working in close partnership with parents, alumni and the local community
- o Managing our organisation in a financially and environmentally responsible manner
- o Engaging our pupils in environmentally-conscious attitudes and an appreciation of the natural world
- o Creating a sense of family and belonging through experiences and events across the Foundation

Public Benefit and Access

The Governors consider that the Foundation's purpose meets the Charity Commission guidance for the advancement of education and that the primary beneficiaries of the Charity are the pupils who

are educated at its four schools and who directly benefit from the Charity's work. The Governors regard the education of children as a benefit to society in general, not only through the expected role and contribution that its pupils will make to the communities in which they will live and work, but also through the financial assistance given to the State Education System which does not bear the cost of the education of the Foundation's pupils.

During the year ended 31st August 2020, Mill Hill School Enterprises continued to make available to the wider public, local maintained schools, local churches and community groups and other charitable organisations the use of the Foundation's buildings and facilities in support of the Foundation's objectives. It successfully expanded the range of opportunities for engagement with the local community, including providing residential facilities to Teens Unite (a local charity for young people), a football showcase event for talent scouts to find promising players and Middlesex Ladies Cricket's use of the Foundation's cricket facilities. The Foundation made available use of the fields and sporting facilities for Goodwyn School, St. Vincent's primary school, St. Paul's School and Church, The Nepali Language and Cultural centre, a pupil led initiative Rocket Planet Leadership Force and Help for Heroes. The Foundation enabled use of the meeting venues and halls for local community meetings, the Mill Hill Preservation Society anniversary tea, the BSA (Boarding Schools Association) and the SEA (Schools Enterprises Association). The swimming pool was used by Age UK and a local canoe club.

Camp Beaumont, our day camp providers, offers 10 bursary places per week to local primary school children and full time Foundation staff working throughout the holiday periods. All staff and parents of the Foundation qualify for a discounted rate.

During the lockdown due to COVID19 the schools provided on site education for children of key workers, also prepared meals for the NHS and made visors using 3D printers.

During the academic year many charities are supported across the Foundation through themed days and fundraising initiatives.

School and Other Partnerships

The Foundation Schools are publicising their partnerships and community work on the Schools Together website and can be justifiably proud of the number of exciting and meaningful initiatives being undertaken across the Foundation.

- Support for the London Academy of Excellence Tottenham continued in 2019/20, although activities were somewhat curtailed by the coronavirus pandemic. We did, however, appoint a Biology teacher who taught at LAET for the year. The Head of MHS sat on the LAET Board of Governors and is the lead Governor for Safeguarding and SEND. Overall, Mill Hill Foundation supports this partnership with funding of £50,000.
- The partnership with Copthall School continues to flourish with a successful bid for DfE funding being approved (Wellbeing Conference) and strengthening links between senior leaders focused on planning and delivering joint initiatives. Whilst the global pandemic has put conference planning on hold, we remain committed to working together for the benefit of our pupils, staff and the local community. A member of the Mill Hill School Senior Leadership Team sits on the Copthall Board of Governors.
- The CCF partnership with Mill Hill County School continued to develop, despite the challenges presented by the global pandemic. The Foundation also continues to support the

development of the Saracens High School in Colindale, which opened in 2015, with the appointment of the Deputy Head, Pastoral to the Board of Governors.

- Community links at Mill Hill School continue to grow with pupil involvement with the Saracens Rugby Club to support pupils with Autism and Year 10 Sports Leaders' involvement with the Panathlon Challenge movement, improving access to sport for disabled children. In addition, we have developed increasingly strong links with sports organisations and clubs, including Middlesex cricket, Saracens and Southgate Hockey Club.
- Along with the Sporting links Mill Hill School has with Middlesex CCC and Saracens RFC, we have now formalised/initiated official partnerships with Hampstead and Westminster (Hockey), Tottenham Hotspurs (Football) and London Irish RFC (Rugby). This just leaves one of our Core Sports (Netball), without a high-profile partnership. It goes without saying, that this will be a target for the Sports department over the next 12 months.
- The partnership with the Sunshine Coast Grammar School is now established with pupils from each School now travelling to and from Australia/London to experience life on the other side of the world, with a focus of developing their Sporting experiences. Clearly, Covid-19 has had an impact with three MHS pupils missing out on their planned trip this Summer.
- Mill Hill School opened its Peter Collinson Heritage Garden to members of the Mill Hill Preservation Society, who also held one of their regular meetings in the School.
- A number of teachers from the Foundation are governors at local state schools, including in Mill Hill, Haringey and Berkhamsted.
- The Mill Hill School Foundation also supports overseas educational development in schools in Zambia, Zimbabwe and India (Tamil Nadu) by providing financial assistance through fund-raising initiatives and voluntary outreach activity by pupils and staff.
- The Mount, Mill Hill International (MMHI) provides use of its grounds for St Vincent's Forest School. As part of Year 11 Community Service, pupils from MMHI assist with paired reading at St Vincent's on a weekly basis.
- MMHI pupils visit a local Care Home, Carlton Court, as part of the Wednesday Community Service.
- Once a week, there is a lunchtime Digital Learning club where, following lunch in the dining room, the MMHI pupils teach a group of older people how to use technology. This is in partnership with Age UK.
- Last year Grimsdell developed an informal partnership with St Vincent's Primary School in Mill Hill. We have offered and shared a range of services including training, facilities and experiences. We were in discussion with the Head and Chair of Governors about creating a memorandum of understanding, however this was put on hold when Covid-19 and lockdown hit.
- Grimsdell have always been involved in supporting the Good Neighbours Scheme by presenting them with performances from our choir and we have previously invited members of Age Concern to spend time with our pupils. Unfortunately, these activities are all on hold due to the risks posed by Covid-19.
- Belmont have built on the partnership with Saracens High and Belmont teachers have run performance poetry and art workshops for Saracens High Pupils.

The Foundation's facilities are let by Mill Hill School Enterprises free of charge or at reduced rates to local primary schools, the local scouts, brownies and guides associations, the MHPS, the local Church,

Teens Unite Fighting Cancer, and other community groups. Activities supported include IT training and Aqua Aerobics for the elderly in conjunction with Age UK. Mill Hill School pupils are actively involved in many of these public benefit activities including assisting in IT training for the elderly and providing an afternoon tea party for elderly residents in the Retail Trust Cottage Homes.

Bursaries and Scholarships

The Foundation actively promotes its public benefit profile locally and nationally. It is important to the Governors to support widened access by welcoming pupils from diverse ethnic, cultural, religious, socio-economic and non- traditional backgrounds and to provide bursaries, up to and including 100% fee remission, to assist those children who cannot be funded by their parents, families, guardians or other charitable sources.

Bursaries are subject to annual review and are means tested. During the 12-month period to August 2020, total bursary assistance of £ 1,091k (August 2019 - £1,203k) was awarded to 59 pupils (August 2019 - 66 pupils). Scholarship awards provide a remission on fees of up to 10% and may be supplemented by a means-tested bursary where further financial assistance is justified. During the year, Scholarships totaling £334k (August 2019 -£302k) were awarded to 213 pupils (August 2019 -197 pupils). Fifteen pupils (August 2019 - 13 pupils) were awarded a combination of scholarship and bursary assistance. During the period, the Foundation provided 100% fee remission to 37 pupils (August 2019 - 41).

In addition to the above, the Foundation awarded special Covid-19 Hardship Bursary to 51 pupils totaling £182K for the 2020 summer term.

In the twelve-month period to August 2020, total fee assistance from all sources, including external funding, was £3,553k (August 2019 - £1,814k). This represented 10.1% (August 2019 – 5.5%) of Gross Fee income and included the COVID discount for the summer term 2020.

COVID-19 Impact

The Global Covid 19 pandemic has impacted on the operations of the Foundation. The Government required schools to close their physical sites from 23rd March 2020 except for the provision for the children of key workers. During the period of closure the Foundation Schools provided remote learning for pupils through various different channels. During these unprecedented times the Foundation has had to be more agile and enhance the use of technology for all pupils and staff. The Schools remain flexible to respond to the need for remote & blended teaching as required.

The Foundation recognised the impact of the Covid 19 on the parents of pupils and demonstrated its support by discounting the summer term fees and also establishing a hardship fund. In addition non-essential spending was restricted during the summer term.

As part of the reopening programme detailed risk assessment have been undertaken and additional health and safety measures implemented. Ongoing assessments are in place with protocols for track and trace of contact when there is a positive Covid 19 test result.

The table below shows the financial impact of Covid in 2019/20

	£000s
Covid-19 fee discount - summer term 2020	(1,654)
Hardship bursary - summer term 2020	(182)
Examination fees waived	(136)
Summer school - estimated loss of revenue	(250)
Additional expenses - housekeeping / cleaning / safety materials	(43)
Additional expenses - Medical Centre and equipment	(25)
Mill Hill School Enterprises - estimated loss of revenue	(100)
Total cost	(2,390)
Grant received (Job Retention Scheme)	1,033
Net impact	(1,357)

Our Achievements in 2019 / 2020

There is very strong demand for places in at all the Foundation schools at all the key entry points. In 2020, an average of 1,620 pupils attended our four schools (2019: 1,565).

Inspection

The Foundation received its routine inspection from the Independent Schools Inspectorate in January 2020. This was a full inspection covering both Compliance and Education Quality. The compliance inspections gives the school a grade of "met" or "not met" for 8 compliance categories and the foundation was found to have met the required compliance standards in all eight categories. The educational quality inspection focuses on two key outcomes -

- The achievements of the pupils including their academic development, and
- The personal development of pupils.

All four schools in the Foundation were found to be excellent in relation to the personal development of pupils and Grimsdell, Belmont and MMHI were found to be excellent in relation to the achievements of the pupils including their academic development with MHS being judged as good. This is a very pleasing outcome and MHS is now working on a plan to move from good to excellent.

Mill Hill School

A Level and University Success

Value-added analysis indicates that the A Level cohort of 2020 performed fully in line with independent school expectations, with no sub-groups of pupils demonstrating a statistically significant negative residual (A*/A: 49%, A*/B: 77% with a % pass rate of 99.8%). We are, therefore, confident that pupils were well served by the School, despite the challenges presented by the coronavirus pandemic and the subsequent Centre Assessment Grade system for generating grades. Results

enabled a large proportion of this year's leavers to secure places at their Higher Education institution of choice in their chosen field of study. Amongst these were four pupils taking up places at Oxford. Overall, we saw a very broad range of disciplines across the Higher Education destinations, from the most traditional academic subjects through to courses such as Fashion or Robotics Engineering. This year pupils took up places in over 40 different UK institutions; a positive outcome in a challenging environment. Several pupils secured places in the USA, Europe and the Far East.

GCSE Success

We were pleased to see so many individual success stories in this year's GCSE results, not least because in addition to the excellent achievements at the top end of the grade range, there are many others which are about personal endeavour and determination. We continue to be proud of our broad academic range in both the Sixth Form and the Lower School, and of our ability to bring out the best in pupils across the ability spectrum. With 63.3% of grades at A*/A, or their numerical equivalents of 9 - 7, and 99.3% at A* to C (9 - 4), this year's cohort rose to the challenge with great success. We were delighted that 11 pupils achieved 9 or more passes at grades 9/8 (A*).

Other Academic Successes

Once again, the Design Technology Department celebrated continued success in prestigious external competitions, with a member of the Fifth Form (Y11) being awarded an Arkwright Engineering Scholarship. A large number of Sixth Form Scientists competed in national competitions for Biology, Chemistry and Physics, and pupils from all year-groups competed in national competitions for Mathematics and Chemistry. A Level Art students also took part in the national ARTiculation competition, with one pupil winning through to the regional finals in London. Upper Sixth Form Drama students entered the National Student Drama Festival, and pupils also took part in the VII Hispanic Theatre Festival, with one pupil awarded the prize for best actress. Pupils from the school again made good progress in the ESU Mace Challenge with our team acquitting themselves well against some very tough opposition. An Upper Sixth Music scholar progressed to the final of the strings competition in the BBC Young Musician of the Year.

Pupil Numbers

Mill School Hill is a school in high demand and this year we opened with 854 pupils. Boarding recruitment at the School has been strong, despite concerns that the pandemic might have a negative impact on numbers. Future recruitment is equally encouraging with the projected number of pupils coming from Belmont and local prep schools both increasing. Putting this into context, in recent years, the Mill Hill School has grown, on average, by 6% each year and 2019/20 and 2020 shows an even bigger increase (+18%). Fears about the girl: boy ratio being exacerbated by the increased intake have not materialised and we have, in fact, seen an increase from 31% girls in the school last year to 34% this year.

Marketing Initiatives - Home and Abroad

As in previous years, we have engaged in a wide range of marketing events and activities both in London and overseas with the objective of attracting pupils of a high calibre, international diversity in boarding and an increasingly even gender balance.

We continue to develop the transition processes between our own Prep school, Belmont, and the Senior School and to promote our Sixth Form to Year 11 pupils at the Mount Mill Hill International, with over 20 pupils making that transition this Autumn Term. Destinations for overseas recruitment

trips undertaken by Mill Hill School staff have included Kazakhstan, Kyrgyzstan, Turkey, Russia, Germany, Albania and the USA.

Closer to home, we ran successful cross-Foundation Open Mornings in October and November, promoting predominantly 13+ and 16+ entry for London-based families. With the country in lockdown in March, our April Open Morning was cancelled, with the website content being enriched to compensate, a precursor to this Autumn Term's highly successful Virtual Open Morning.

Staffing

In order to strengthen key areas of Mill Hill School's leadership and management structure and to place the School in the best possible position to deliver on the Foundation's strategic aims, the Senior Leadership Team was restructured to include a Foundation Head of Boarding and an Assistant Head (Staff Development and Wellbeing). The role of Examinations Officer - previously the substantive role of the Assistant Head (Academic Administration) - in line with other, similar, schools, becomes a non-teaching role from September 2021.

Three long-standing members of staff left the School during the year – two retiring and one moving onto an exciting new challenge in a fledgling school. Three NQTs successfully completed their induction in 2020 and two gained their PGCE qualification.

Pastoral Achievements

We were very happy to receive recognition of excellence in the ISI report for our pastoral provision. We trained a member of the teaching staff to deliver Mental Health First Aid Courses which will ensure that the whole staff aware of Mental Health First Aid and up to date with their training. A new behaviour strategy was implemented to support teachers effectively in maintaining standards of behaviour for learning in lessons. The mode of delivery of the PSHE curriculum was reviewed resulting in a closer alignment with the delivery of Physical Education. Pupils were supported through the challenges of the national lockdown via House staff, offering the highest standards of care, albeit remotely.

Co-curricular Achievements:

The Co-Curricular offer has increased substantially over the past academic year and has benefited from numerous developments. The redevelopment of the McClure Music School, which includes sound proofing the area, the addition of a state of the art recording studio and improvements to the aesthetics, is a notable improvement to the existing facilities. Sport has also benefitted from a new Sports Hall floor, installation of an electronic Basketball system, new indoor cricket nets, new scoreboard on Top Field and are now enjoying the freshly re-laid Astro turf.

There are many highlights over the Co-curricular programme for 2019/20, but the most notable have included Ellen BG's performance in the BBC Young Musician of the year, the Sports tours to Japan, Holland and Dubai and the keenly contested inter-house Drama competition. The School continues to be very proud of its Co-curricular offer, which was certainly well received by the ISI inspectors at the start of the academic year.

Estates Projects Completed

Developing our buildings is born of both aspiration and necessity as the School roll has continued to grow in recent years. There have been many changes and improvements to the Mill Hill School site in the past 12 months, mainly in the form of repurposing, redevelopment and refurbishment, such as continued development of the Sixth Form Centre, the Day and Boarding Houses and some new

classroom/office spaces. The redevelopment of the McClure Music School and the ongoing improvement to the sports facilities signal the School's intention to continue to maximise the Estate for the benefit of Mill Hill School pupils and members of the local community.

Belmont School

Pupil Numbers

At Belmont, despite the challenges posed by the global pandemic, demand for places continues to be strong, particularly at 11+. In September 2020 we had 553 pupils on roll.

The Arts

We have had great success in the Arts this year. The Year 8 Art scholarship nominees put on a fantastic exhibition of their work. Music has seen some wonderful individual and group performances. Drama continues to go from strength to strength and the highlight of the year has to be our Year 8 performance of Les Miserables; this year's performance was simply breathtaking.

We continue to improve our presence in the national prep schools' competition 'The Townsend Warner History Prize' with six pupils getting through to the final round. One pupil made the top 50 in the National SATIPS Prep School General Knowledge competition.

Sport

For the Autumn and Spring Term there were notable successes in rugby, hockey, football and netball. Our Under 12 Netball team were Regional Winners of IAPS Tournament and qualified for the Nationals and our Under 12 Eton Fives pair qualified for the National Finals but, sadly, both these finals were cancelled. Although our usual Sports Day could not happen, the PE team put together a fantastic virtual alternative. The Garden Games were a huge success and children and parents had a fantastic day participating in a variety of sporting activities and celebrating one another's success. Although we couldn't all be together we managed to create a sense of community and a feel-good factor.

New Sports Hall

We opened our new Sports Hall in January and although it has not had as much use as we'd like the children were very excited about the beautiful new space that includes basketball facilities, cricket nets, a wellbeing studio for yoga and fitness and a climbing wall. The Sports Hall will make a huge difference to the experience of Belmontians but also to the wider community. A local table tennis club and Middlesex Girls' Cricket Club already make regular use of this facility.

Grimsdell School

The creative curriculum at Grimsdell is now fully embedded as we are now at the beginning of a new cycle. Our theme-based approach continues to inspire children with meaningful and relevant experiences that enable the development of skills for learning and embed knowledge and understanding deeply in their long-term memory.

Music and Drama: Despite the restrictions Covid-19 has placed in this area of the curriculum we have continued to offer high quality provision which fulfils all the safety guidelines. Performances have been able to continue virtually and through the medium of film. Music was highlighted as an area of strength in our Reception report. LAMDA preparation was halted due to Covid-19 but has now resumed with examinations due to take place on 11th December.

Developments in our Literacy curriculum, particularly in relation to phonics, reading and handwriting have been implemented this year. We have a two-person English department now for KS1 and EYFS and this team is proving effective in implementing positive change to raise standards

Sport and PE at Grimsdell continues to be a central part of the children's lives, developing their physical literacy and their enjoyment of sport. Our events have been limited since Covid-19 but the addition of our stretch tent on the playground has enabled PE and sport to continue without compromising the curriculum – and indeed early signs suggest the tent is enhancing the PE provision.

This is the second year for 'The Cabin' and its use has increased extensively. Each Reception class spends a full day there per week and KS1 also make use of the space. Outdoor learning has found a new lease of life through our 4 stretch tents which have provided sheltered spaces for any lesson to take place outdoors. These were initially rented but we have now purchased them so they can provide ongoing outdoor learning opportunities, but also alleviate some of the space issues we have at Grimsdell in our small building.

Wellbeing: Mindfulness is now taught to all Year 2 pupils and we have introduced a Promoting Positive Behaviour Culture within the school through implementing a Growth Mindset Programme called 'Thrive in 5'. Thrive in 5 also invests in (and starts with) staff wellbeing. Our pastoral care structures have been enhanced by the appointment of an Assistant Head Pastoral who is now in her second year. We track all pupils and put in appropriate support interventions for them and their families. Family and parenting education are key areas of focus for us. We achieved the highest grading of 'excellent' in our ISI inspection report for the area of Personal Development.

The Mount, Mill Hill International

Academic Achievements

GCSE Results

MMHI celebrated its fifth year of excellent (I)GCSE results, with this year's cohort gaining 44.9% of 9-7; 69.1% Grades 9 – 6; 94.7% Grades 9 – 4. Individual subject successes in Mathematics, ESL and the three Sciences, in particular Physics.

2020-2021 Blended Learning and Digital Learning

In response to the pandemic, and the need to provide remote learning for pupils, MMHI accelerated its Digital Learning Strategy to accommodate for scenarios where some pupils might be physically present in class while others might need to join the classes online. With newly installed technology, all classes now at MMHI use blended teaching and learning. MMHI has become an iPad school. The school is also now largely paperless using e-books in the place of textbooks and OneNote in the place of exercise books.

Pastoral Achievement

MMHI implemented a new Positive Behaviour Policy which focused on restorative measures and de-escalation of disruptive behaviours rather than resorting to an over-reliance on detentions. There was a strong focus on community spirit and a significant amount of money was raised for the various charities proposed by the Student Council reps who came up with new initiatives which they ran by themselves, eg Christmas Candy Gram messages, Valentine's Day roses delivery.

Co-curricular achievements

The sign-up for co-curricular activities was more effective last year and a greater number of pupils attended more clubs and activities. Our most significant sporting achievement of the year was the contribution of MMHI pupils to Mill Hill School's successful basketball team, who won the area cup competition. The McClure Instrumental Competition saw eleven pupils from MMHI enter the various categories and had the winner in the post Grade 8 category.

2020-21 Admissions Statistics and marketing initiatives

COVID-19 has had significant impact on international pupil numbers across all schools globally. However, following a busy summer in the admissions department, the overall numbers have held at over 82% of the 2019-20 roll with 75 pupils in the 2020-21 cohort. There is an anticipated demand for pupils joining the school in January 2021 from Hong Kong citizens who have BN (O) status.

Communication during the pandemic has been the key to ensuring that parents are confident in sending their children abroad. There have been two successful virtual Open Mornings which were recorded and uploaded to the website. The admissions team have been in regular conversation with educational agents and where they once attended fairs abroad are now attending these online.

Due to the pandemic, Mill Hill Summer School was unable to run in the Summer 2020. In addition to the Mill Hill Summer School 2021, there will be Short Courses held for Easter 2022. There will be two types of course at Easter: language courses for external pupils with an academic English focus and an Easter revision course for pupils at MMHI.

Development Activity

In the last financial year until August 2020, the Development Office has fundraised a total of £60,095. The majority of these funds came from regular payments from long-standing supporters to the Foundation. There was one notable gift of £20,000 from a new parent donor. The Development Office continues to cultivate relationships with our regular supporters and there will be a number of stewardship activities going forward in order to retain this support. In addition to these figures, the Development Office is awaiting £15,500 in funds from Old Millhillians who have sadly been deceased in the last year, who have kindly left a gift in their Will to the Foundation.

The focus for development over the next year will be the launch of a new and exciting campaign to support the latest capital campaign at Mill Hill School and additionally smaller projects at Grimsdell, Belmont and MMHI alike. The Office continues to develop the database to ensure best practice and to further develop the relationship with the Old Millhillians Club with the view of a shared website and comms calendar. The Development team will continue working with teams across the Foundation in order to implement fundraising procedures, working with the charity representatives and Parent Associations at each school too to raise awareness and visibility.

Plans for the future

Initiatives for 2020/2021 include:

- Merger with Cobham Hall an independent girls boarding school in Kent
- A review and update to the Estates Master Plan in accordance with its Strategy
- Planning for replacement of the Science facilities at Mill Hill School
- Planning for an all-weather pitch for Belmont
- Redevelopment of the Patrick Troughton Theatre and refurbishment of the Large
- Enhancement of the sixth form centre to include an integrated pastoral, study and social space for the sixth form students

Equality Act

The Foundation complies with the Equality Act 2010 and is committed to providing equal opportunities in employment. The Foundation's policies seek to avoid unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and selection for redundancy.

The Governors have engaged with employees regarding employee interest and key decision through regular staff written communications and annual employee listening meetings.

Environmental Impact

The foundation recognises the importance of environmental and climate risks and is committed to reducing where possible the impact of our operations and minimising our environmental impact. In order to support this the foundation has replaced outdated inefficient light fittings with more efficient LED lighting. Outdated boiler plant has been replaced with new more efficient boilers, pipe lagging has been added along with further insulation to buildings. When requiring replacement windows have been replaced with double glazed units and there is a pump replacement programme in place.

The foundation will continue to support the reduction of our impact in future years along with other initiatives as they are identified. Any further building and maintenance work will be undertaken to be as energy efficient as possible. For 2020/21 a tree management programme has been undertaking which includes planting additional appropriate trees

During the year ending August 2020 the foundation used 2,161 MWh of electricity and 6714 MWh of Gas. This resulted in associated Scope 1 and Scope 2 greenhouse gas emissions of 1,782 tCO₂e and an intensity ratio of 22.2 m² per tCO₂e. This information was extracted from our current ESOS report prepared by an independent specialist who undertook a full site survey to identify energy usage and omissions.

Financial Review

The financial health of the Charity remained strong (see Reserves, Financial Resources and Liquidity). Total income for the Foundation for the 12-month period to 31 August 2020 amounted to £34,785k (2019 - £35,506k). The Foundation recorded a net income of £1,219k for the period (2019 - £4,695k). Capital expenditure during the year was £3,156k (2019 - £3,543k). As a result of the pandemic a discount was given on fees in the Summer term and a hardship fund established to support families impacted by Covid 19. In addition non-essential expenditure was scaled back during this uncertain period. Mill Hill School Enterprises made a loss of £46k for 12-month period to 31 August 2020, (2019 - £75k surplus), this is due to Covid 19 restricting its activities during the summer and easter holidays and summer term.

As outlined in notes 8 and 9, the total staff related cost of the Foundation for the 12-month period to 31 August 2020 was £23,637K (2019 – £19,910k). The total staff cost includes teaching salary costs of £17,590k (2019 - £14,529k). The increase in staff cost was as a result of increase in the employer contribution rate of the Teachers' Pension Scheme (TPS) from 16.4% to 23.6% from September 2019, adoption of London Living Wage, 3% pay increment for all staff arising from the annual pay review, pay progression and the appointment of additional staff during the period. A review of pay and benefits of all staff at the Foundation is ongoing.

Remuneration Policy

Remuneration is covered by the Finance Committee and is delegated by the Court of Governors to determine on its behalf the pay and remuneration of the Executives (including the CEO, Heads, DFR and DO) and their Senior Management Teams. The Committee considers a number of additional factors including an individual's contribution to the activities of the Foundation as a whole, affordability and remuneration offered by charities of a similar activity, size and complexity.

The aims of the Remuneration Policy are to ensure:

- compliance with the Foundation's charitable purposes and the requirements of FRS 102,
- all employees of the Foundation are treated fairly and pay decisions are free from discrimination,
- From September 2019 the London Living Wage is paid to all Foundation employees, at least the minimum wage is paid to casual workers under the age of 21 years.
- the remuneration provided by the Foundation to its employees is balanced between paying its employees fairly and competitively in order to attract and retain the best people for the Foundation and the duty to ensure value for money through the careful management of charity funds,
- the Foundation manages its budget to effectively deliver its strategic development plans.

Key Performance Indicators

The Foundation assesses its success in the implementation and pursuit of its Charity strategy by the following key performance indicators:

- pupil numbers in the Schools
- the academic results
- the achievements of its pupils in all areas of educational development including sport, music and drama

The financial performance indicators include:

- pupil numbers
- net fees
- total income
- total expenditure
- and education and Foundation surpluses

During the course of 2020-21 we propose to develop other, significant new KPIs and measurements of performance to help Governors understand how the Foundation and its schools as a whole are performing, the direction of travel and if the objectives outlined in the strategy are being met.

Reserves, Financial Resources and Liquidity

As stated in Note 20 of the accounts, the funds of the Foundation are split between those available for day to day requirements of the Foundation, namely the Unrestricted Fund £35,659k (2019 - £32,921k) , those which are restricted of £449k (2019 - £2,002k) and the Permanent Endowment Fund £1,568k (2019 - £1,534k). Included in this balance is a Pension Provision for the year of £139K (2019 - £139K, see Note 11).

The Reserves Policy is to maintain financial resources sufficient to meet the Foundation's normal working capital requirements, as well as current and future capital expenditure obligations. These resources include a combination of:

The regular achievement, on an annual basis, of an acceptable level of positive internal generation of net operational cash flow, after operating expenses but to exclude a charge for depreciation;

- the availability of borrowings under one or more medium to long-term unsecured committed loan credit facilities; and
- to the extent feasible, the availability of further funds resulting from fundraising activities and initiatives which result in donations and contributions to the Foundation, in support of its educational objectives

Investment Policy

The Governors' current policy is to invest any surplus working capital funds in interest bearing deposits with a number of financial institutions, while maintaining sufficient financial resources to meet its normal operating and capital expenditure commitments. The Foundation Trusts hold equity income shares in the Charities Official Investment Fund ("COIF"). The Court of Governors consider COIF to be a most suitable investment vehicle for Foundation because of its investment philosophy and ethical investment policy, its broad range of funds providing diversification of risk, and its exclusivity to Charity, faith and local authority clients.

Risk Management

The Governors regularly assess political, financial and economic situations, the regulatory and legal framework, changes in social attitudes, and pupil and employee welfare in undertaking an annual review of the systems and procedures which are in place to manage risks. These are incorporated in the Foundation's "Risk Map". The management of risk is a routine part of the day-to-day operation and activities of the Foundation. The Executives regularly report to the Court of Governors both directly and through the relevant sub-committee on all matters concerning risk management, in particular risks arising from health and safety. As an independent fee-charging provider of education, whose pupil recruitment is both national and international, the Foundation is mindful of overall national and international economic conditions and recognises their potential impact on the Charity. Accordingly, consideration is regularly given to reviewing the overall national and global economic situation, including such factors as inflation and interest rates, foreign exchange rates and building industry costs. We assess, in particular, the financial and other risks associated with "Brexit" and the potential loss of charitable status which have been modelled as part of long-term financial planning.

Appropriate procedures are in place to assess and address identified risks. Health and Safety matters are co-ordinated through the Foundation Health and Safety Committee which reports to the Estates Committee. In addition, risk management controls relate to the areas of strategic planning, budget and management accounting, formal written policies, financial authorisation and approval procedures, and safeguarding procedures for the protection of children. The Foundation's policies in the academic, pastoral and extra-curricular areas for each of the schools are subject to periodic review.

Mill Hill School Enterprises operates in accordance with the Foundation's Risk Map and relevant policies. In addition, the Directors of Mill Hill School Enterprises assess identified trading risks to the Company. Enterprises has been severely impacted by Covid 19 restricting its ability to trade during the Spring and Summer terms.

Trust Funds

The following Trust Funds are separately registered charities:

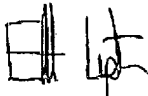
- Mill Hill School Scholarship and Bursaries Trust Charity number 1042028
- Mill Hill School University Entrance Scholarship Trust Charity number 1042031
- Mill Hill School Prizes Trust Charity number 1042030

The Trust Funds provide bursaries, financial assistance and prizes to the Foundation's pupils and former pupils. The total of such payments for 12-month period to August 2020 was £44k (2019 - £102k). The Accounts of the Trust Funds are consolidated into the financial statements of the Foundation.

Auditors

In accordance with Section 487(2) of the Companies Act, a resolution proposing the appointment of the Auditors will be put to the Annual General Meeting.

Approved by the Court of Governors on 23 March 2021 and signed on its behalf by, Mr Elliot Lipton, BSc (Hons), MBA, FRSA, FRICS, Chair of the Court of Governors.



Mr Elliot Lipton

Chair of the Court of Governors

Date 23 March 2021

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Mill Hill School Foundation for the purposes of company law and are referred to as the Court of Governors) are responsible for preparing the Trustees' Annual 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. 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 proper 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MILL HILL SCHOOL FOUNDATION

Opinion

We have audited the financial statements of The Mill Hill School Foundation for the year ended 31 August 2020 which comprise of the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 group's and the parent charitable company's affairs as at 31 August 2020 and of the group's 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 group's and parent 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 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. 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 group and parent 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 group or parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

8 April 2020

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London, EC1M 7AD

The Mill Hill School Foundation

STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure statement) for the year ended 31 August 2020

	Notes	Unrestricted funds £000s	Designated funds £000s	Restricted funds £000s	Endowment fund £000s	Total 2020 £000s	Total 2019 £000s
INCOME FROM:							
Charitable Activities							
School fees	3	31,995	-	(283)	-	31,712	31,480
Other educational income	4	1,409	-	-	-	1,409	1,635
Other income							
Other trading income	5	248	-	-	-	248	402
Other activities		-	-	-	-	-	991
Investments	6						
Investment Income		72	-	47	-	119	85
Voluntary sources	7						
Grants and donations		1,021	12	264	-	1,297	913
Total income and endowments		34,745	12	28	-	34,785	35,506
EXPENDITURE ON:							
Costs of raising funds	8						
Fundraising and development		46	-	-	-	46	167
Other trading costs		234	-	-	-	234	238
Interest and other costs		474	-	-	-	474	524
Charitable activities	8						
Education		32,801	20	25	-	32,846	29,980
Total expenditure	8	33,555	20	25	-	33,600	30,909
Net operating income/(expenditure)		1,190	(8)	3	-	1,185	4,597
Net gains on investments	14	-	-	-	34	34	98
Net income/(expenditure)		1,190	(8)	3	34	1,219	4,695
Transfer between funds	20	2,432	(876)	(1,556)	-	-	-
Net movement in funds		3,622	(884)	(1,553)	34	1,219	4,695
Fund balances brought forward		29,934	2,987	2,002	1,534	36,457	31,762
Fund balances carried forward	20, 21	33,556	2,103	449	1,568	37,676	36,457

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

The Mill Hill School Foundation

BALANCE SHEET as at 31 August 2020

	Notes	2020 Group £000s	2019 Group £000s	2020 School £000s	2019 School £000s
FIXED ASSETS					
Tangible assets	13	49,731	47,586	49,731	47,586
Investments	14	1,568	1,534	-	-
		51,299	49,120	49,731	47,586
CURRENT ASSETS					
Stocks	15	37	56	37	56
Debtors	16	620	651	581	654
Cash at bank and in hand		9,038	13,366	8,964	13,180
		9,695	14,074	9,582	13,890
CREDITORS: Amounts falling due within one year	17	(8,828)	(11,130)	(8,793)	(11,068)
NET CURRENT ASSETS/(LIABILITIES)		867	2,944	789	2,822
TOTAL ASSETS LESS CURRENT LIABILITIES		52,166	52,064	50,520	50,408
CREDITORS: Amounts falling due after more than one year	18	(14,351)	(15,468)	(14,351)	(15,468)
Provisions for liabilities and charges	11	(139)	(139)	(139)	(139)
NET ASSETS		37,676	36,457	36,030	34,801
FUNDS					
Restricted funds	20	449	2,002	420	1,976
Unrestricted funds – general	20	35,659	32,921	35,610	32,825
Endowment fund	20	1,568	1,534	-	-
		37,676	36,457	36,030	34,801

The Foundation has taken the exemption under Companies Act 2006 s.408 to omit its profit and loss account from the statutory group accounts. The Total Incoming Resources for The Foundation during the year ended 31 August 2020 was £34,595k (2019: £35,249k) and Net Income during the year ended 31 August 2020 was £1,227k (2019: £4,695k).

Approved and authorised for issue by the Board of Governors on23 March 2021..... and signed on their behalf by:



Elliot Lipton
Chairman of the Board of Governors

The accompanying notes form part of these financial statements.
Company Number: 3404450

The Mill Hill School Foundation

CASHFLOW STATEMENT

for the year ended 31 August 2020

CASH FLOW STATEMENT	Notes	2020 £000s	2019 £000s
Net cash inflow from operating activities	27	(92)	8,126
Cash flows from investing activities:			
Bank interest received		72	39
Dividends received		47	46
Interest element of finance lease rental payments		(416)	(457)
Payments to acquire fixed assets		(3,156)	(3,543)
Net cash outflow from investing activities		<u>(3,453)</u>	<u>(3,915)</u>
Financing:			
Loans received		-	3,000
Loans repaid		(783)	(733)
Net cash outflow from financing activities		<u>(783)</u>	<u>2,267</u>
Increase/(decrease) in cash		(4,328)	6,478
Cash and cash equivalents at the beginning of the reporting period		<u>13,366</u>	<u>6,888</u>
Cash and cash equivalents at the end of the reporting period		<u><u>9,038</u></u>	<u><u>13,366</u></u>

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2020

1 ACCOUNTING POLICIES

The Mill Hill School Foundation is a charitable company limited by guarantee with registered number 3404450, incorporated and domiciled in England and Wales. Its registered office is Walker House, Millers Close, The Ridgeway, Mill Hill, NW7 1AQ.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SOP), the Companies Act 2006 and the Charities Act 2011.

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 thousand pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of consolidation

The Group comprise The Mill Hill School Foundation, Mill Hill School Enterprises and three separately registered charitable trusts linked to The Mill Hill School Foundation. The assets, liabilities and results of the wholly owned subsidiary company, Mill Hill School Enterprises, are consolidated into these financial statements. Summarised details of the subsidiary company are set out in Note 25. There are three separately registered charitable trusts linked to Mill Hill School, the assets, liabilities and results of these trusts are consolidated into these financial statements. Summarised details of the charitable trusts are as described in Note 24. All activities as per Consolidated Statement of Financial Activities (SOFA) relate to continuing operations.

1.2 GOING CONCERN

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the governors have considered the charitable group's forecasts and projections and have taken account of pressures on fee income, particularly in the light of the impact of the COVID-19 pandemic. After making enquiries the governors have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future.

As such the Foundation can expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts. However, there can be no certainty in relation to these matters.

On this basis the Governors have concluded that the Foundation is a going concern. The financial statements do not include any adjustments that would result from the Foundation not being able to meet its liabilities as they fall due.

1.3 COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee to the extent of £1 each from the guarantors at the present time, being the Governors of The Foundation.

1.4 FEES RECEIVABLE AND SIMILAR INCOME

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

1.5 DONATIONS AND FUND ACCOUNTING

Donations received for the general purposes of the school are included as unrestricted funds. Donations restricted by the wishes of the donor or the terms of an appeal are taken to restricted funds. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments – permanent or expendable according to the nature of the restriction.

1.6 GRANT INCOME

Income from government or other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable the income will be received and the amount can be reliably measured.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2020

1.7 EXPENDITURE

Expenditure is allocated to expense headings, which aggregate all costs relating to the category either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

All costs associated with the provision of education are allocated to Charitable Expenditure. Costs of generating funds relates to Mill Hill Enterprises.

Governance costs comprise the costs of running the Foundation, including strategic planning for its future development, external audit, and all other costs of complying with constitutional and statutory requirements.

1.8 TEACHING COSTS

Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred.

1.9 FIXED ASSETS AND DEPRECIATION

All fixed assets are held to provide an on-going economic benefit to the Foundation through their contribution, directly or indirectly, to the provisions of goods or services by the Foundation. Fixed assets are included in these financial statements at their original cost less depreciation and accumulated impairment losses provided to date, with the exception of land and buildings.

Land was previously depreciated within Freehold Property as they are not separable from freehold property due to the historic nature of the site and lack of specific valuation to enable a split to be determined between land and freehold property elements. The Mount School freehold land, included in the Accounts at a cost of £33,500 is not depreciated. The Foundation changed its accounting estimate and no longer depreciates the buildings. Until the year ended 31 December 2015 buildings were depreciated at a rate ranging from 2% to 5% per annum. Whilst The Foundation acknowledges that there is wear and tear to the properties as they are in constant use, the investment that is being put back into the properties is considered to be more than enough to offset any wear and tear that would decrease the value of the buildings. This policy is reviewed each year and appropriate adjustments are made for any impairments during the year.

Assets that are expected to have a useful economic life of less than two years and/or cost less than £1,000 are not capitalised and are written off in the year of purchase unless they form part of a larger project.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the costs less estimated residual value of each asset, by equal annual instalments, over their expected useful lives which are considered to be:

Land and Freehold property	- not depreciated
Furniture and equipment	- 3.3% - 33.3% p.a
Fixtures and fittings	- 3.3% - 33.3% p.a
Vehicles	- 20% p.a.

The cost of the freehold property does not include any capitalised interest on borrowing costs relating to specific projects as The Foundation chooses not to capitalise this. The Foundation has introduced a rolling policy of fixed assets verification. Necessary adjustments to the fixed asset values and depreciation charges have been carried out when any fixed asset has been disposed of, either during its expected useful life or after it has been fully depreciated. All assets of The Foundation are held for charitable use with the exception of those held by Mill Hill School Enterprises.

1.10 STOCKS

Stocks are stated at the lower of cost or net realisable value.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2020

1.11 PENSIONS

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the year.

The Foundation also pays contributions into a Group Personal Pension Scheme for Support staff. The Scheme is a defined contribution pension scheme. The assets of the Scheme are held separately from those of the School in an independently administered fund. The Pension Scheme charge represents contributions payable by the school in accordance with the rules of the Scheme.

The Foundation also pays contributions into a defined benefit pension scheme for teaching staff on the basis of contribution rates recommended by the Teachers Pensions Agency. As described in Note 11, this scheme is accounted for as a defined contribution scheme, using the exemption permitted in IAS 19 for multi-employer schemes.

1.12 LEASES AND HIRE PURCHASE CONTRACTS

Where assets are financed by finance leases and hire purchase agreements the assets are included in the Balance Sheet at cost less depreciation in accordance with the school's normal accounting policy. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the Statement of Financial Activities over the period of the lease in proportion to the balance of capital payments outstanding.

Rentals paid under operating leases are charged to the Statement of Financial Activities evenly over the period of the lease.

1.13 INVESTMENTS

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction-based, while investment income management costs are charged as expenditure out of the relevant income funds. The SOFA includes realised and unrealised gains and losses arising from the revaluation of the investments in the year.

1.14 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.

1.15 FINANCIAL INSTRUMENTS

The Foundation 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 Foundation's balance sheet when the Foundation 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.

1.16 ADVANCED FEE PAYMENT SCHEME

The Advanced Fee Payment Scheme commenced in the Autumn Term 2006. Under the Scheme parents enter into a contract to pay The Foundation a minimum of 4 Terms and a maximum of 42 Terms (14 years) tuition fees in advance. The discounts given with the Advanced Fee Payment Scheme are recognised on the Balance Sheet and will be written off over the life of the relevant advance payment. A portion of the Advanced Fee Payment may be returned under specific conditions (see note 18 for detail).

1.17 TAXATION

The Foundation is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

1.18 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense. 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 Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2020

1.19 FUNDS

The Foundation maintains four types of fund:

- Restricted: where the purpose for which the funds may be used have been restricted by donors.
- Unrestricted: where funds are for the use of the Governors for the general purposes of The Foundation.
- Endowed: an endowment fund to generate income for the three Trust Funds; the incoming resources from endowment funds are restricted.
- Designated: funds which have been allocated for a specific purpose by the Court of Governors.

See note 20 for details of in-year movements of funds.

2 KEY ESTIMATES & JUDGEMENTS

In the application of the Foundation's accounting policies, the Governors 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Governors, the estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. No depreciation is charged on the buildings, which constitutes a change in accounting policy as described in note 1.8. The trustees consider that investment in the properties is sufficient to offset any wear and tear that would decrease the value of the buildings. This policy will be reviewed each year and if there are indications that depreciation will no longer be immaterial or if there are any indications of impairments the policy will be changed. See note 13 for the carrying amount of the property, plant and equipment and note 1.8 for the useful economic lives for each class of asset.

Recoverable value of fee debtors

The Foundation makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

Provisions have been made for property contracts, dilapidations, restructuring, post-employment benefits and customer redress. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

3 FEE INCOME

The School's activities are carried out within the UK.

The school's fee income comprised:

	2020	2019
	£000s	£000s
Gross fees	35,222	33,294
Less: Discounts	(292)	(309)
Less: Scholarships and bursaries	(1,382)	(1,505)
Less: Covid-19 Hardship bursaries	(182)	-
Less: Covid-19 Discount (Summer Term 2020)	(1,654)	-
	<u>31,712</u>	<u>31,480</u>

Included within scholarships and bursaries is an amount of £283k (2019: £378k) which relates to restricted bursaries.

4 OTHER EDUCATIONAL INCOME

	2020	2019
	£000s	£000s
Extras and disbursements	514	719
Registration fees	225	240
Fees in lieu of notice	274	172
School trips	365	504
Other income	31	-
	<u>1,409</u>	<u>1,635</u>

5 OTHER TRADING INCOME

	2020	2019
	£000s	£000s
Rent and lettings	26	41
Loss on sale of property	(3)	(2)
Enterprise company	225	363
	<u>248</u>	<u>402</u>

6 INVESTMENT INCOME

	2020	2019
	£000s	£000s
Interest receivable	72	39
Dividend income	47	46
	<u>119</u>	<u>85</u>

Included within the above is an amount of £47k (2019: £46k) which relates to restricted income.

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

7 DONATIONS AND GRANTS

	2020 £000s	2019 £000s
Donations and grants	264	913
Furlough grant	1,033	-
Total	1,297	913

Included within the above is an amount of £264k (2019: £901k) which relates to restricted income.

8 EXPENDITURE

	Staff costs (note 9) £000s	Other £000s	Depreciation £000s	Total 2020 £000s
Teaching	17,590	1,684	-	19,274
Welfare	2,477	1,056	-	3,533
Premises and Estates	982	3,533	1,006	5,521
Administration	2,226	2,020	-	4,246
Finance	-	474	-	474
Trading costs	195	85	-	280
Governance	167	105	-	272
	23,637	8,957	1,006	33,600

Included within £33,648k is an amount of £25k (2019: £106k) relating to restricted expenditure.

	Staff costs £000s	Other £000s	Depreciation £000s	Total 2019 £000s
Teaching	14,529	2,035	-	16,564
Welfare and Catering	2,198	1,249	-	3,447
Premises	927	3,523	909	5,359
Administration	1,832	2,432	-	4,264
Finance	-	520	-	520
Trading costs	173	232	-	405
Governance	251	99	-	350
	19,910	10,090	909	30,909

Other Governance Costs include:

	2020 £000s	2019 £000s
Auditors' remuneration		
- Audit Fees	38	39
- Other Auditors remuneration	9	9
Legal and Professional Fees	51	45

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

8 EXPENDITURE (continued)

Administration, finance and trading costs include:	2020 £000s	2019 £000s
Salaries	1,927	1,692
National Insurance	179	157
Pension Costs	107	73
Redundancy Costs	13	31
Other Staff Costs	195	52
IT support	430	461
Postage and stationery	369	384
Telephones	111	145
Marketing and advertising	611	782
Miscellaneous - Administration	154	203
Bad debts	86	(152)
Legal and Professional Fees	132	279
Other Administration Costs	99	286
Bank charges and interest	28	44
Loan Interest	416	457
Other Finance	58	63
Other trading costs	85	232
	5,000	5,189

9 STAFF COSTS

	2020 £000s	2019 £000s
Wages and salaries	17,854	15,755
Redundancy and settlement costs	13	31
Social security costs	1,864	1,630
Other pension costs	2,888	1,786
Other staff costs	1,018	708
	23,637	19,910

The number of employees who received remuneration under redundancy and settlement costs were 3 (2019: 2)

The average monthly number of employees during the year was as follows:

	2020 No.	2019 No.
Teaching	221	199
Non-teaching	277	261
	498	460

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2020 No.	2019 No.
£60,000 - £70,000	43	41
£70,001 - £80,000	17	9
£80,001 - £90,000	1	1
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£110,001 - £120,000	1	2
£120,001 - £190,000	2	1
	66	56

Pension contributions for the year under money purchase amounted to £19k (2019: £18k) and pension contributions for the year under defined benefit schemes was £1,057k (2019: £608k) for the above employees.

Key management personnel include the CEO, Foundations' Headteachers and the Director of Finance and Operations. The total number of key management personnel receiving pay and benefits is 6 (2019: 5). The total pay and benefits received by key management personnel were £872k (2019: £778k).

10 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration for the year ended 31 August 2020 nor for the year period 31 August 2019. 7 Governors (2019: 9) were reimbursed travel expenses totalling £3k (2019: £2k).

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

11 PENSIONS

The School participates in the Teachers' Pension Scheme ('the TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,558k (2019: £1,513k) and at the year end £nil (2019: £nil) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closes to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

In January 1993, a Money Purchase, Group Personal Pension Scheme for non-teaching staff was established. Initially, it was available to those who wished to join once a one year qualifying period had passed. In April 2002, this was reduced to a three month qualifying period. This reduction in qualifying period allowed The Foundation to be exempted from the requirement to provide a Stakeholder Pension Scheme as required by the Government. The total cost to The Foundation for the Group Personal Pension Scheme in 2020 was £327k (2019: £250k). Outstanding at the year end £nil (2019: £2k).

In addition, The Foundation has unfunded pension arrangements, which have been closed to new members since December 1978. In 2007, by exception a supplementary pension payment was established by the Court of Governors for one retiring member of staff. The unfunded pension obligations of these arrangements call for making annual payments to six retired members of staff (2019: six retired members of staff) which are charged against revenue in the year. Payments to pensioners in the year were £19k (2019: £19k) and a reduction in the value of the liability of £nil (2019: nil) has been recognised in the year. In the absence of a formal actuarial valuation of this scheme, a liability equivalent to the latest annuity purchase value has been recognised in the balance sheet at a value of £139k (2019: £139k).

12 NET INCOME FOR THE YEAR

	2020 £000s	2019 £000s
Net income is stated after charging:		
Depreciation of tangible fixed assets	1,007	908
Operating lease rentals – other	230	225
Auditor's remuneration		
Audit services for the school - current year	38	33
Audit services for the school - prior year underprovision	3	7
Audit services for the subsidiary	6	4
Non-audit services	25	7

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

13 TANGIBLE FIXED ASSETS

	Assets under Construction £000s	Freehold Property £000s	Fixtures, Fittings, Furniture, & Equipment £000s	Motor Vehicles £000s	Total £000s
Cost:					
At 1 September 2019	1,826	49,060	10,004	319	61,209
Additions	1,402	892	797	65	3,156
Disposals	-	-	(320)	(22)	(342)
Transfer	(3,228)	3,228	-	-	-
At 31 August 2020	-	53,180	10,481	362	64,023
Depreciation:					
At 1 September 2019	-	7,926	5,484	213	13,623
Charge for year	-	-	961	46	1,007
Disposals	-	-	(316)	(22)	(338)
At 31 August 2020	-	7,926	6,129	237	14,292
Net book value:					
At 31 August 2020	-	45,254	4,352	125	49,731
At 1 September 2019	1,826	41,134	4,520	106	47,586

Included within Fixtures & Fittings are gross assets of £10k and depreciation of £10k relating to Mill Hill Enterprises giving a nil Net Book Value on these Enterprise assets.

The cost of freehold property represents the historical value recorded in the books of The Foundation consisting of £15,450k, the value placed in 1872 on the land and buildings of the 1869 New Foundation, and the net cost of additions since that date. The council are of the opinion that the current value of the school's land and building is substantially in excess of the figure shown in the financial statements. The buildings have an insured value of £170,560k (2019: £140,344k).

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £41,622 (2019: £30,746) for the period.

	2020 £000s	2019 £000s
Motor Vehicles	61	102

14 INVESTMENTS

	Market value 2020 £000s	Market value 2019 £000s
Cost/valuation At 1 September 2019	1,534	1,436
Gains/(Losses) arising from movements in valuations	34	98
Cost/valuation At 31 August 2020	1,568	1,534

15 STOCK

	2020 £000s	2019 £000s
	37	56

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

16 DEBTORS

	2020 Group £000s	2019 Group £000s	2020 School £000s	2019 School £000s
Fees and extras	608	479	563	479
Less provision for doubtful debts	(452)	(366)	(452)	(366)
Other debtors	230	12	230	12
Prepayments and accrued income	234	526	234	517
Amount due from group undertaking	-	-	6	12
	620	651	581	654

17 CREDITORS

Amounts falling due within one year:

	2020 Group £000s	2019 Group £000s	2020 School £000s	2019 School £000s
Bank overdraft	-	-	-	-
Loans	850	817	850	817
Trade creditors	1,044	1,166	1,040	1,144
Taxation and social security costs	49	44	32	16
Fee Deposits	-	-	-	-
Fees received in advance and deposits	6,598	8,439	6,598	8,439
Other creditors	78	259	70	249
Accruals	184	377	177	374
Amounts payable under finance leases	26	29	26	29
	8,828	11,131	8,793	11,068

Deferred income:

	2020 £000s	2019 £000s
Brought forwards	8,439	7,573
Released in year	(8,439)	(7,573)
Received in year	6,598	8,439
Carried forwards	6,598	8,439

Deferred income relates to schools fees received in advance for the following term.

18 CREDITORS DUE AFTER ONE YEAR

	2020 School & Group £000s	2019 School & Group £000s
Amounts falling due after more than one year:		
Bank loan	10,066	10,882
Amounts payable under finance leases	63	65
School fee deposits	3,364	3,282
Fees in advance	858	1,239
	14,351	15,468

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

	2020 £000s	2019 £000s
Movement on loans		
In one year or less	850	817
Between one and two years	884	850
Between two and five years	2,605	2,703
After five years	6,577	7,329
	10,916	11,699
Movement on school fee deposits:		
In one year or less	1,832	1,411
Between one and two years	852	901
Between two and five years	1,287	1,341
After five years	1,225	1,040
	5,196	4,693
Movement on fees in advance:		
In one year or less	4,766	7,028
Between one and two years	448	699
Between two and five years	395	478
After five years	15	62
	5,624	8,267
Movement on finance leases:		
In one year or less	26	29
Between one and two years	63	65
Between two and five years	-	-
	89	94

The Foundation has two loan facilities with National Westminster Bank Plc of £2.5m and £6m. The loans are repayable in quarterly instalments of £69k and £102k per annum respectively. The maturity dates of the facilities are 16 October 2028 and 28 August 2034. Interest on the amounts drawn is charged at a rate of LIBOR plus 2.25% on the first loan and a fixed rate of LIBOR + 2.25% on the second. The Foundation entered into an interest rate swap agreement on October 2013 at a rate of 3.48% on the first loan. The effective interest rate on this loan is 5.73%.

Interest charged in the year on amounts drawn totalled £108k and £149k (2019: £117k and £166k) and the balances outstanding at the balance sheet date were £1.79m and £5m respectively.

The Foundation has two loan facilities with Allied Irish Bank Plc of £4m and £3m. The £4m loan is repayable in quarterly instalments totalling £381k per annum. The maturity date of the facility is 31 December 2023. Interest on the amounts drawn is charged at a rate of 4.99% per annum. The £3m loan was taken out in the prior year and is repayable by quarterly instalments of £12.5k for the first 5 years and then increasing to £81k exclusive of interest. The maturity date of the facility is 31 October 2025. Interest on the amounts drawn is charged at a rate of LIBOR plus 2.5%.

Interest charged in the year on amounts drawn totalled £67k and £92k (2019: £83k and £91k) and the balance outstanding at the balance sheet date was £4.13m.

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

19 FINANCIAL INSTRUMENTS

	2020 Group £000s	2019 Group £000s	2020 School £000s	2019 School £000s
Financial assets measured at fair value through profit and loss	1,568	1,534	-	-
Carrying amount of financial assets				
Debt instruments at amortised cost	284	294	295	306
Carrying amount of financial liabilities				
Measured at amortised cost	17,419	13,869	17,399	13,832

20 STATEMENT OF FUNDS

	At 1 September 2019 £000s	Income £000s	Expenditure £000s	Transfer Between Funds £000s	Gains/ (losses) £000s	At 31 August 2020 £000s
Unrestricted funds:						
General reserve	29,934	34,745	(33,555)	2,432	-	33,556
Designated Fund	2,876	6	(10)	(876)	-	1,996
Designated fund (donations & fundraising)	111	6	(10)	-	-	107
	32,921	34,757	(33,575)	1,556	-	35,659
Restricted funds:						
Other Restricted Funds	257	139	(91)	(70)	-	235
Mill Hill Music School	500	-	-	(500)	-	-
Belmont gym	923	91	-	(1,014)	-	-
ABC Bursaries	322	81	(217)	28	-	214
Total restricted	2,002	311	(308)	(1,556)	-	449
Endowment fund	1,534	-	-	-	34	1,568
Total funds	36,457	35,068	(33,883)	-	34	37,676

Restricted funds

	At 1 September 2018 £000s	Income £000s	Expenditure £000s	Transfer Between Funds £000s	Gains/ (losses) £000s	At 31 August 2019 £000s
Unrestricted funds:						
General reserve	26,575	33,934	(30,676)	101	-	29,934
Designated fund - general	2,000	1,003	(127)	-	-	2,876
Designated fund (donations & fundraising)	111	-	-	-	-	111
Restricted funds:						
Restricted Other Funds	369	289	(300)	(101)	-	257
Mill Hill Music School	500	-	-	-	-	500
Belmont gym	501	422	-	-	-	923
ABC Bursaries	270	236	(184)	-	-	322
Total restricted	1,640	947	(484)	(101)	-	2,002
Endowment fund	1,436	-	-	-	98	1,534
Total funds	31,762	35,884	(31,287)	-	98	36,457

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

Fund Details

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

The Scholarships, Prizes and University Trust Funds comprise three separate Trusts established by way of donations to provide financial assistance to The Foundation's pupils and former pupils.

Restricted Funds:

The Restricted Funds are represented by cash of £449k and investments of £1,568 within the Endowment Fund in 2020 (2019: cash £2,002k and investments £1,534k).

Trust Funds consist of:

Mill Hill School Scholarships & Bursaries Trust: The Trust was created by a Declaration of Trust dated 19 March 1994 with the purpose of holding the Trust Fund and its income, for Scholarships & Bursaries at Mill Hill School.

Mill Hill School University Entrance Scholarship Trust: The Trust was created by Declaration of Trust dated 19 March 1994 with the purpose of holding the Trust Fund and its income, on trust to apply the income for the leaving Scholarships from Mill Hill School for entrance to British Universities.

Mill Hill School Prizes Trust: The Trust was by created by Declaration of Trust dated 19 March 1994 with the purpose of holding the Trust Fund and its income, on trust to apply the income for prize awards to pupils at Mill Hill School to recognise merit shown by the pupils in the academic, artistic or technical performance or in the development of character.

ABC Bursaries Fund: A Better Chance (ABC) Bursaries Fund supports bursary students at Belmont and Mill Hill School. Development offices coordinates various fundraising campaign amongst Old Millhillians, Old Belmontian and parent body in support of the fund.

Belmont Gym Fund: During December 2017 the sports hall at Belmont school was damaged by fire. Included within the restricted income is £91k (2019: designated income of £991k relating to insurance monies received) used to construct the new building. The school undertook fundraising to match the funding which has been shown as restricted funds. The gym completed in the year.

Mill Hill Music School Fund: This fund represents donation income received in the prior year for the purpose of refurbishing the Mill Hill School music block. The refurbishment was completed in the 19/20 academic year.

Unrestricted Funds

Designated fund (donations & fundraising) was established in 2007 from fundraising activities to support The Mill Hill School Foundation's educational and business development plan. New designated fund was established in 2017 to provide for the planned capital expenditure and unforeseen events such as fire and flood. The Foundation commissioned a detailed survey of its Estate in 2017, the survey has recommended a 10 years repairs and maintenance program costing over £7700k. The General reserve £30,123k value at August 2020, £30,069 relates to The Foundation (2019: £29,838k) and £54k relates to Mill Hill School Enterprises (2019: £96k).

The transfer of funds represent the completion of specific projects.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £000s	Restricted funds £000s	Endowment fund £000s	2020 Total £000s
Tangible fixed assets	49,731	-	-	49,731
Investments	-	-	1,568	1,568
Current assets	9,246	449	-	9,695
Current liabilities	(8,828)	-	-	(8,828)
Long term liabilities	(14,490)	-	-	(14,490)
Total net assets	35,659	449	1,568	37,676
	Unrestricted funds £000s	Restricted funds £000s	Endowment fund £000s	2019 Total £000s
Tangible fixed assets	47,586	-	-	47,586
Investments	-	-	1,534	1,534
Current assets	12,072	2,002	-	14,074
Current liabilities	(11,130)	-	-	(11,130)
Long term liabilities	(15,607)	-	-	(15,607)
Total net assets	32,921	2,002	1,534	36,457

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

22 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 Plant & Machinery £000s	2020 Other £000s	2019 Plant & Machinery £000s	2019 Other £000s
Due within one year	259	19	211	19
Due between one to two years	239	3	198	13
Due between two to five years	190	-	266	3
Due after more than five years	-	-	-	-
	688	22	675	35

23 RELATED PARTIES

In 2020 Gardiner and Theobald LLP provided services in relation to the new Belmont Gym. D Dickinson Esq, a Governor and Trustee of The Foundation, is a retired Partner of Gardiner & Theobald LLP. During the year the total payment made was £35k (2019: £98k), of which £35k (2019: £63k) relates to services provided to Belmont Gym Project. During the year, The Mill Hill School Foundation incurred recruitment costs of £44k (2019: £37k) from RS Academics, a company at which R Burdell, a Trustee of The Foundation, is the Head of Finance and Marketing Appointments. The Mill Hill School Foundation used the services of Quod Ltd, a company which E Lipton has business dealings with, in relation to the planning of the sports hall. During the year, total payment made was £8k. There were no other related party transactions.

24 TRUST FUNDS

Mill Hill School Scholarships and Bursaries Trust
Mill Hill School University Entrance Scholarship Trust
Mill Hill School Prizes Trust

The combined results for the above Trust Funds for the period ended 31 August 2020 are:

	2020 £000s	2019 £000s
Net assets at 1 September 2020	1,685	1,644
Income	47	46
Expenditure	(44)	(102)
Excess expenditure over income	3	(56)
Purchase of investments	-	-
Unrealised gains on investments	34	97
Net Assets at 31 August 2020	1,722	1,685

The Trust Funds provide financial assistance to The Foundation pupils and to former pupils during their period at university. The total of such payments in 2020 for pupils in the school was £44k (2019: £102k).

Further information may be obtained from the Director of Finance and Operations at its registered address, which is The Mill Hill School Foundation, Walker House, Millers Close, The Ridgeway, Mill Hill, London, NW7 1AQ.

The Mill Hill School Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

25 CONTROLLED ENTITY

Mill Hill School Enterprises is a company limited by guarantee and is controlled by The Mill Hill Foundation which is a company registered in England and Wales, number 1690525. Its results, adjusted for consolidation with The Foundation's accounts, for the year ending 31 August 2020 and the year ending 31 August 2019 are detailed as follows:

	2020 £000s	2019 £000s
Income	225	363
Expenditure	(233)	(238)
Rent paid to The Mill Hill School Foundation	(38)	(50)
Excess of income over expenditure*	(46)	75
Assets	89	170
Liabilities	(40)	(74)
Net assets at year end	49	96

*an annual rental of £37.5k (2019: £50k), salary and pension £37k (2019: £38k), catering and cleaning £nil (2019: £14k), heat and light £4k (2019: £4k) insurance £nil (2019: £nil), repairs & maintenance £nil (2019: £nil), telephone £1k (2019: £1k) was paid to The Foundation. The year-end surplus (excess of income over expenditure) of Mill Hill School Enterprises for 2020 is £nil (2019: £75k). The year-end surplus (if any) is distributed to The Mill Hill School Foundation under the gift aid scheme, however the surplus for 2019 (£75k) was not distributed to the Foundation to mitigate the impact of loss of revenue due to the Covid-19 pandemic.

26 CAPITAL COMMITMENTS

Capital expenditure authorised and contracted at 31 August 2020 totalled £nil (2019: £1.2m). The Foundation has to make significant ongoing investments to maintain its historical buildings and grounds. An independent survey commissioned by The Foundation in 2017 recommended a total investment of £7.7 million in capital expenditure over the 10 year period.

27 NOTES TO THE CASHFLOW STATEMENT

	2020 £ £000s	2019 £ £000s
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	1,219	4,695
Gains on investments	(34)	(98)
Depreciation	1,007	908
Investment income	(72)	(39)
Dividends received	(47)	(46)
Loan interest	416	457
Increase/(decrease) in pension provision	-	-
Profit/(Loss) on sale of Fixed Assets	4	2
Increase/(Decrease) in creditors	(2,635)	2,442
(Increase)/Decrease in debtors	31	(206)
Decrease/(Increase) in stocks	19	11
	(92)	8,126

27 NOTES TO THE CASHFLOW STATEMENT (continued)

Analysis of changes in net debt

	At 1 September 2019 £000s	Cash flows £000s	Other non- cash changes £000s	At 31 August 2020 £000s
Cash and cash equivalents				
Cash	13,366	(4,328)	-	9,038
Overdrafts	-	-	-	-
Cash Equivalents	-	-	-	-
	<u>13,366</u>	<u>(4,328)</u>	<u>-</u>	<u>9,038</u>
Borrowings				
Debt due within one year	-	-	(850)	(850)
Debt due after one year	-	783	850	1,633
	<u>-</u>	<u>783</u>	<u>-</u>	<u>783</u>
Total	<u>13,366</u>	<u>(3,545)</u>	<u>-</u>	<u>9,821</u>

28 POST BALANCE SHEET EVENTS

After the year end, the Foundation will enter into a charity merger agreement with Cobham Hall School, which operates under charity number 313650. Under the terms of the Merger Deed, all the assets and liabilities of Cobham Hall will be transferred to the Foundation at nil cost, and the School will be run by the Foundation. One of the Trustees of Cobham Hall will join the Court. Future accounts will be consolidated to include Cobham Hall School.