



Mill Hill

Instilling values, inspiring minds

Grimsdell | Belmont | Mill Hill School | Mill Hill International | Cobham Hall



THE MILL HILL SCHOOL FOUNDATION

GOVERNORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

COMPANY REGISTRATION NUMBER: 03404450

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COURT OF GOVERNORS

The Governors present their Annual Report and audited Consolidated Financial Statements for the year ended 31 August 2021 and confirm that they comply with the requirements of the Charities Act 2011, The Companies Act 2006 and the Charities SORP FRS 102.

Court of Governors	Election/ Leaving Date (1 September 2020 - 31 August 2021)	Committee Membership
Chair of the Court of Governors Mr Elliot Lipton, BSc (Hons), MBA, FRSA, FRICS		Ex-officio. S(Ch), T(Ch)
Vice Chair of the Court of Governors Mrs Stephanie J Miller, BA (Hons)		A, E, F, N&G, P(Ch), S
Professor Eric WFW Alton, MA MB, BS, MD, FRCP, FHEA, FERS, FMedSci		A(Ch), N&G, S
Mrs Charlotte Avery, MA (Oxon)		A
Mr Kevin Doble, BA PDM PGCE FRSA	Casual Vacancy	A
Mr Simon Bayliss, BSc (Hons), PGCE, MSc	Appointed on 7 October 2020	P
Mr Robin Burdell	Stepped down on 25 November 2020	F
Dr Roger Chapman, BSc MB BS FRCGP	Stepped down on 23 March 2021	C(Ch), P, N&G, T
Mr David Dickinson, DipQS FRICS	Stepped down on 23 March 2021	E(Ch), F, C
Mr Ian Downie, BSc MIWFM, CEM Dip FM	Stepped down on 26 April 2021	E
Mr Paul Dunleavy, BA (Hons) CISSP-ISSAP CISM CDPO MBCS.		A, E, S
Mr Jamie Hornshaw, BEd (Hons), MEd, NPQH FInstLM after NPQH	Stepped down on 12 December 2020	A
Mr R A Elliott Lockhart, MA MPhil		A, S
Mrs Sunena Stoneham, LLB (Hons), LPC		F, N&G(Ch), S
Mr Andrew Millet, BA MBA FCA		F(Ch), N&G, S, T, EC(Ch)
Mrs Mary Moore, MSC BA FCIPD		F, S
Mrs Sophie Mortimer, BA	Stepped down on 15 May 2021	P(Ch), C
Mr Noyan Nihat	Appointed on 12 December 2020	E, F, S
Dr Kiki O'Neill-Byrne, BA (Hons), MB, BCh, BAO, Dip. Clin. Psych., FRCPsych	Casual Vacancy	P
Mrs Mangal Patel, MBA		A, E, S
Mr Mark Skelly, BEng (Hons) PhD RAEngVTF		E(Ch), N&G, S

A – Academic Committee

C – Covid Committee

Ch – Chair of Committee

E – Estates Committee

EC – Enterprise Council Committee

F – Finance Committee

N&G – Nominations & Governance Committee

P – Pastoral Committee

S – Strategy Committee

T – Trustees Committee

STRATEGIC REPORT

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:

- Providing an optimum environment in which outstanding learning can take place
- 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
- Equipping pupils with the tools and habits of mind that enable them to navigate the global environment
- 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:

- Having high expectations of all pupils and a belief that everyone can achieve and succeed
- Promoting life-long learning and well-being
- Encouraging compassion and social responsibility in pupils through giving time, talents and treasures
- 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:

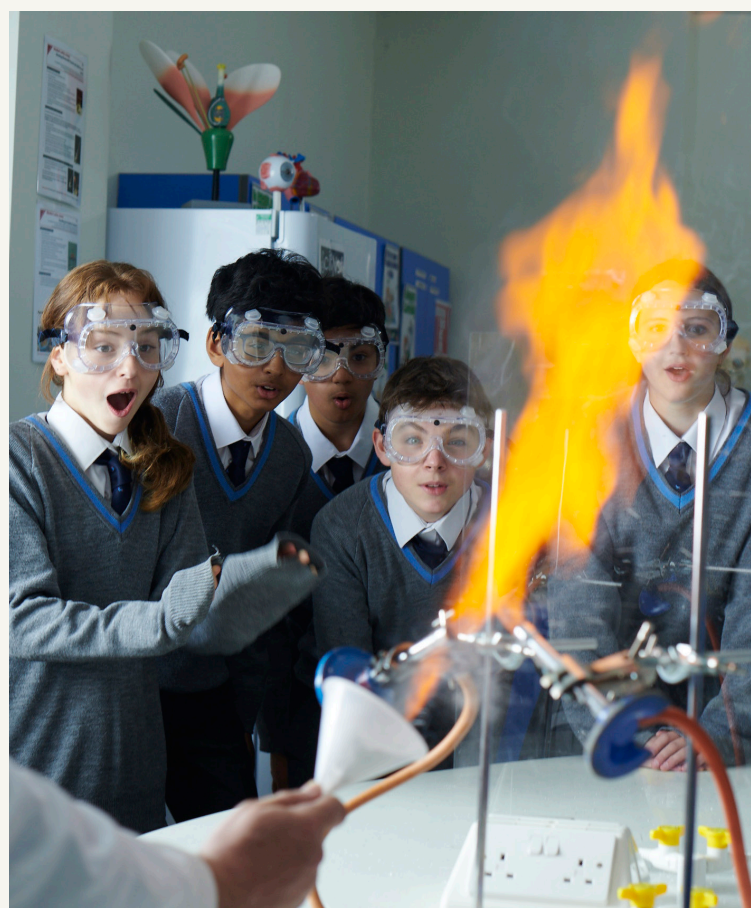
- Practising respect and tolerance in our multi faith and multi-cultural environment, through an understanding of Christian values and traditions
- Enabling pupils to find the courage to stand up for what they believe in
- Providing opportunities to develop socially responsible pupils
- Encouraging pupils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

To nurture pupils from childhood towards adulthood by:

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

To build a sense of community and environmental awareness by:

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



ACTIVITIES

The financial year ending August 2021 continued to be heavily affected by the presence and the consequences of the Covid-19 pandemic. The short-term focus was necessarily preoccupied with ensuring pupils and staff continued to be safe and well looked after during a very volatile time. At the same time, we continued to make progress on our longer-term aims. In last year's accounts, we set out a number of our plans for the future, repeated below and with the progress made shown:

Initiatives for 2020/2021	Progress Made
Merger with Cobham Hall, an independent girls boarding school in Kent	Merger completed on 5 March 2021
A review and update to the Campus Master Plan in accordance with its strategy	A competition was held with a shortlist of potential architects, resulting in one firm being chosen in October 2021 to oversee the Campus Master Plan project
Planning for replacement of the Science facilities at Mill Hill School	This forms part of the Campus Master Plan project
Planning for an all-weather pitch for Belmont	Working on the planning application, and the project is due for completion by September 22
Redevelopment of the Patrick Troughton Theatre and refurbishment of the Large	This was completed as part of a wider renovation project at Mill Hill School in the summer holidays of 2021
Refurbishment of the Piper and Winterstoke Libraries	The historic Winterstoke library has been repurposed a silent study area for the Upper Sixth, as part of the above project
Enhancement of the Sixth Form Centre to include an integrated pastoral, study and social space for the Sixth Form students	Completed in the summer holidays of 2021, almost doubling the space available to the Sixth Form.

The objectives of the Foundation are woven into the activities of our schools. After the pleasing outcome of the ISI Inspection of January 2020, we continue to be ambitious about continually raising standards, and this continues to be reflected in a growing pupil roll.



**THERE IS HIGH DEMAND FOR
PLACES ACROSS ALL
SCHOOLS AND ALL KEY
ENTRY POINTS.**

1,820

**PUPILS ATTENDED OUR FIVE
SCHOOLS IN 2021, INCLUDING
AROUND 150 PUPILS AT
COBHAM HALL (1,620 IN 2020).**

55:45

**BOY:GIRL SPLIT AT THE
FOUNDATION. IT IS PART OF A
LONG-TERM TREND TOWARD
PARITY OF NUMBERS FOR BOYS
AND GIRLS.**

Key highlights of our activities in 20/21 include:

1. Cobham Hall

The charity merger with Cobham Hall was completed on 5th March 2021. The merger brought additional stability to Cobham Hall, and the school is able to benefit from the wider expertise and financial resources the Foundation can access. The addition of Cobham Hall provides another option to boarders who finish at Mill Hill International at the end of Year 11 and provides additional boarding capacity to the Foundation generally; boarding has been at or near capacity in recent years. A programme of investment into Cobham Hall was begun during the year, and there is the intention, subject to consultation and DfE approval, to make the Sixth Form co-educational, whilst maintaining Year 7-11 just for girls. The fair value net assets of the Cobham Hall charity were transferred to the Foundation in the merger, resulting in a large one-off adjustment to income in the financial year. Soon after the year end, in September 2021, Cobham Hall School had an integrated inspection from ISI, and was found to be fully compliant with an excellent grade given for pupil development and a good grade given for pupil achievement.

2. School and Community Partnerships

The Foundation schools publicise 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.

Our relationship with Copthall School continues to bring mutual benefits. Planning is underway for the delayed joint Wellbeing Conference, and the Head of Mill Hill School continues to serve as a Copthall Governor. Whilst the pandemic made operations more challenging, we value the ongoing links with Mill Hill County School and Saracens High, respectively involving a CCF partnership and governance support. We value the wider perspective brought by international school partnerships, and we used our existing links with Tamil Nadu to support those most affected by the pandemic, in a pupil initiative to raise charitable funds.

Links with local community sports groups have continued to strengthen. These include Middlesex Cricket, Saracens RFC, Tottenham Hotspur, London Irish RFC, Hampstead & Westminster Hockey and a new partnership with a fencing academy. We were delighted to host the Tottenham Hotspurs women's super league squad for their summer training in 2021, using a number of our recently renovated facilities. The high quality of our coaching staff continues to have wider benefits, with two of our staff involved in the Tokyo Olympics.

3. Academic Achievements

In line with the rest of the country, external examinations in 2021 were replaced with Teacher Assessed Grades, where final results were based upon robust evidence of internal assessment, using the professional expertise of our teaching staff. An extremely thorough system of recording assessment data was used to evidence the performance of our pupils, and staff and pupils worked extremely hard in the face of the uncertainties and challenges of the pandemic.

The results at GCSE and A Level were an excellent reflection of the hard work of staff and pupils:

GCSE/iGCSE Results 2021

	9 - 7%	9 - 4%
Mill Hill School	73	100
Cobham Hall School	55	96
Mill Hill International	54	94
National Average	22	66

A Level Results 2021

	A* - A%	A* - B%	A* E%
Mill Hill School	66	89	100
Cobham Hall School	45	70	100
National Average	44	70	100

The relatively small number of pupils in each year group at Cobham Hall School compared to Mill Hill School means that aggregate results are more variable and affected by the results of one or two pupils.

These are outstanding results for schools that are selective and where the benefits of a broader education are emphasized. The Mill Hill School GCSE results were also significantly above the average for other independent schools (12% higher at 9 - 7).

The focus upon academic excellence has continued with a significant investment in core academic facilities in Mill Hill School during the summer holidays of 2021. A number of departments have been given renovated and enhanced classroom facilities, including English, Drama, Classics, Psychology and Computing.

Not all academic achievements can be assessed by grades, and some are more important, like shaping the lives of young people to be respectful and responsible citizens of modern society. Over the year there was intense discussion nationally about injustices in society both home and abroad, and the responsibility we all share to help young people play their part in improving this. As a diverse and tolerant community, the Foundation has worked hard through PSHE and RSE programmes, and challenging external speakers and role models, to continue to respond to these challenges.

The excellent A Level results, together with very good support in guiding university course choices, resulted in a very high success rate in first choice universities, despite the uncertainty around university allocations nationally. Places were obtained at a wide range of universities in the UK (including Oxford), USA and elsewhere in the world.

4. Co-Curricular Achievements

The opportunity for co-curricular activity was impinged by the pandemic, although whenever possible, the rich range of activities was maintained in school or online. Belmont has a huge range of activities, with up to 100 clubs per week, with new innovations like lacrosse and Forest School activities.

The other schools have an equivalent range of activities; for MHI, this ranges from Eco Club to Maths Challenge; at Cobham Hall there is a thriving Saturday programme where pupils develop the key skills identified by the World Economic Forum as being crucial for future employability; Belmont's newly developed Future Skills programme covers the 4Cs of 21st Century learning (Creativity, Critical Thinking, Collaboration, Communication); MHS ambitions for co-curricular excellence continues to push onto new levels; the appointment of numerous international coaches, performers, technicians, physios and coach educators have helped ensure that the 120+ activities delivered each week are amongst the highest quality in the independent sector. As a result, the Co-Curricular programme, coupled with its proactive and innovative social media presence, particularly during lockdown, is playing an increasingly active role in helping recruit the very best pupils and staff to the Foundation.

Whilst at Grimsdell one highlight was all the Year 2 pupils who sat LAMDA exams gained distinctions. Given these opportunities in Foundation schools, we are very proud to see former pupils go on to great success in their chosen field, with one former pupil becoming a regular player in the England cricket team.



5. Widening Access

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 2021, bursary assistance totalling £1,223k (August 2020 - £1,091k) was awarded to 82 pupils (August 2020 - 59 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 totalling £500k (August 2020 -£334k) were awarded to 318 pupils (August 2020 -213 pupils). 32 pupils (August 2020 - 15 pupils) were awarded a combination of scholarship and bursary assistance. During the period, the Foundation provided 100% fee remission to 31 pupils (August 2020 - 37).

In the twelve-month period to August 2021, total fee assistance from all sources, including external funding, was £2,470k (August 2020 - £3,553k). This represented 6.6% (August 2020 – 10.1%) of Gross Fee income and included some ongoing Hardship Assistance for families that continued to be impacted negatively by the pandemic. The 2020 figure included a more substantial adjustment to fees due to the closure of schools.

The ability of the Foundation to offer wider access through financial support is reliant upon the ongoing generosity of a number of Old Millhillians, Old Belmontians and current/former parents.

In the last financial year until August 2021, the Development Office oversaw total financial donations of £592,974 including legacies.

During the year, the pandemic restrictions limited the scope for current and potential supporters to meet together and with the schools, but regular communication was maintained, including profiles of former pupils whose lives have been transformed through this support. The Foundation continues to value the relationships maintained by the Old Millhillians Club and going forward all pupils will automatically be members of this community.



STRUCTURE, GOVERNANCE AND MANAGEMENT OF THE FOUNDATION

The Foundation is a company limited by guarantee, number 03404450, and a registered Charity, number 1064758. The Foundation's governing document is its Articles of Association. It comprises five 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;
- Mill Hill International, founded in 2015, for pupils aged 13-17, day and boarding; and
- Cobham Hall, founded 1962 for girls aged 11-18, day and boarding, which joined the Foundation on 5th March 2021

The Governors of the Foundation, as Directors of the Company, are also the Charity's Trustees. Governors who served during the period 1 September 2020 to the date when the Accounts were signed are shown on page 1.

In support of its charitable objectives, the Foundation operates Mill Hill School Enterprises and Cobham Hall Enterprises as wholly owned subsidiaries with their own separate Boards of Directors. Mill Hill School Enterprises was incorporated on 11th January 1983, number 1690525, and is a company limited by guarantee, Cobham Hall Enterprises was incorporated on 14th March 1995, number 3032723 and is a private limited company. The accounts of both Enterprise companies are consolidated into the financial statements of the Foundation.

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 2021 was £44k (2020 - £44k). The accounts of the Trust Funds are consolidated into the financial statements of the Foundation.

In addition, this year the Foundation has consolidated two additional Trust Funds as the Foundation has effective control of these Trust Funds, both are separately registered charities:

- The Ousey Scholarship Trust Charity number 1035224
- Sir Richard Winfrey Memorial Scholarship Trust Charity number 1019611

The Ousey and Winfrey Trust funds provide bursaries to the Foundations pupils, the total of such awards for 12-month period to August 2021 was £22k (2020 - £44k).

CHARITABLE AIMS AND OBJECTIVES

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission guidance on public benefit, including the guidance "public benefit: running a charity (PB2)". The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regards to the public benefit guidance published by the Charity Commission.

GOVERNANCE & MANAGEMENT OF THE FOUNDATION

Statement of Governors' Responsibilities

The Governors (who are also Directors for the purposes of company law) are responsible for preparing the Governors' 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 Governors 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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, strategic direction of the Foundation and considers the risks faced. The Court is supported by sub committees, who meet regularly and report to the Court of Governors.

The day-to-day management of the Foundation is delegated to the CEO and his senior leadership team, comprising of the five Heads of the schools, the Director of Finance and Resources and the Director of Operations.

A scheme of delegation formalises the responsibilities between Governors, Sub Committees, and the Executives.

All Governors give their time freely and no remuneration was paid during the year. Reasonable travelling and associated expenses were paid in accordance with the Foundation's Governor Expenses Policy, these are shown in note 10 to the Accounts, related party transactions are shown in note 23. Professional indemnity and liability insurance is in place for Governors.

The Court of Governors requires considerable breadth and depth of experience to carry out its duties effectively and efficiently. The Nominations and Governance Committee review the skill set of the Court of Governors and endeavour to recruit the required skills at the appropriate time. The Court of Governors seeks to have an appropriate balance of gender, age and ethnicity. Governor appointments are in accordance with the Foundation's Articles of Association.

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. The Foundation is a member of the Association of Governing Bodies of Independent schools (AGBIS) and Governors are encouraged to attend the conferences and seminars they offer or other relevant external sessions for Governor and Trustee development.

S172 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 Foundation's employees
- the need to foster the Foundation's business relationships with suppliers, customers and others
- the impact of the Foundation's 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

Auditors awareness statement

So far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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.



SUB-COMMITTEES OF THE COURT OF GOVERNORS

The Court of Governors, through its sub committees, exercises governance and control of the Foundation and schools. The Court of Governors review annually the Terms of References and membership of each committee.

Standing Committee	Composition - Voting Members	Composition – Non-Voting Members	In Attendance	Number of Meetings 1 September 2020 - 31 August 2021
Academic	Governors	CEO DFR Heads*	Various academic staff as required	5
Covid	Governors	CEO DO Heads*		1
Estates	Governors	CEO DFR DO Heads*		4
Finance	Governors	CEO DFR DO Heads*	Finance Manager Bursar Cobham Hall	5
Pastoral	Governors	CEO DO Heads*	Deputy Heads	4
Nominations and Governance	Governors	CEO DFR	Chair and Vice Chair of the Life Guardians	4
Strategy	Governors	CEO DFR DO Heads*		7
Trustees	Governors	CEO DFR	Finance Manager	1

**The Heads of Mill Hill School, Belmont Preparatory School, Grimsdell Pre-Preparatory School, Cobham Hall and Mill Hill International*



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 Court of Governors reviews the procurement policy periodically to ensure the school continues to receive the best value for money.

PLANS FOR THE FUTURE

Initiatives for 2021/2022 include:

- The development of a Campus Master Plan in accordance with the Foundation's Strategy
- Planning for a floodlit all-weather pitch for Belmont
- Continued refurbishment of areas of the Foundation
- Development of the Grimsdell playground
- Footpath relocation to support physical security issues and public access
- Improve academic outcomes



EQUALITY DIVERSITY & INCLUSION

The Foundation complies with the Equality Act 2010 and is committed to providing equality diversity and inclusion 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 termly 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. The Foundation continues with its maintenance and upgrade program to be as energy efficient as possible this includes

- Replacing outdated inefficient light fittings with more efficient LED lighting
- Replacing outdated boiler plant with more efficient boilers, pipe lagging has been added along with further insulation to buildings
- replacement windows have been replaced with double glazed units
- a pump replacement programme
- continuation of the tree management programme

Cobham Hall are in the planning stages of upgrading the old inefficient boiler system with a biomass boiler which will significantly reduce the Foundations carbon impact.

During the year ending August 2021 the foundation used **2,443 MWh of electricity and 7,098 MWh of Gas**. This resulted in associated Scope 1 and Scope 2 greenhouse gas emissions of 1,915 tCO₂e.

FINANCIAL REVIEW

The financial health of the Foundation remains strong. The results for the financial year to 31 August 2021 include an exceptional item reflecting the merger with Cobham Hall with a fair value of £8,608k (see note 28), merger of The Ousey Scholarship Trust with a fair value of £392k and merger of Sir Richard Winfrey Memorial Scholarship Trust with a fair value of £825k. The regular operational activities of the Foundation for the period to 31st August 2021 include income of £37,625k (2020 £34,595k). Net income excluding the exceptional items, trust funds and trading income was £1,377k (2020 £1,227k).

	2021	2020
	£'000	£'000
Income per SOFA	47,889	34,785
Income from Trust Funds & Trading Activities	(439)	(190)
Ousey & Winfrey Trust	(1,217)	-
Incoming resources for the Foundation	46,233	34,595
Exceptional Item - Cobham Hall valuation	(8,608)	-
Incoming resources excluding exceptional items	37,625	34,595
Surplus per SOFA	11,711	1,219
Income from Trust Funds & Trading Activities	(1,729)	8
	9,985	1,227
Exceptional Item - Cobham Hall valuation	(8,607)	-
Net income excluding exceptional items, trust funds & trading	1,375	1,227

Capital expenditure during the year was £4,305k (2020 - £3,156k).

Mill Hill School Enterprises made a gain of £97k for 12-month period to 31 August 2021, (2020 - loss £46k). Cobham Hall Enterprises made £47k gain. Enterprise operations during the year continued to be impacted by Covid 19

As outlined in notes 8 and 9, the total staff related cost of the Foundation for the 12-month period to 31 August 2021 was £26,350k (2020 - £23,637k). The total staff cost includes teaching salary costs of £19,637k (2020 - £17,590k). The increase in staff cost was as a result of, 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 fund
- 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

The Foundation continues to develop 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 £34,796k (2020 - £35,659k), those which are restricted of £11,579k (2020 - £449k) and the Permanent Endowment Fund £3,012k (2020 - £1,568k). Included in this balance is a Pension Provision for the year of £110k (2020 - £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. The Ousey and Winfrey Trusts hold portfolio of shares and COIF income shares.

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 period reviews 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.

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, IT, cyber security, 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 and Cobham Hall Enterprises operate in accordance with the Foundation's Risk Map and relevant policies. In addition, the Directors of the Enterprise companies have identified trading operations as a risk to the Company. Enterprises has been severely impacted by Covid 19 restricting its ability to trade during the year.

AUDITORS

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

Approved by the Court of Governors on



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

Date: Saturday 11 December 2021



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 (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise of the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 their 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

16 December 2021



The Mill Hill School Foundation

STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure statement)

for the year ended 31 August 2021

	Notes	Unrestricted funds £000s	Designated funds £000s	Restricted funds £000s	Endowment fund £000s	Total 2021 £000s	Total 2020 £000s
INCOME FROM:							
Charitable Activities							
School fees	3	35,059	-	(293)	-	34,766	31,712
Other educational income	4	1,674	-	-	-	1,674	1,409
Other income							
Other trading income	5	414	-	-	-	414	248
Investments							
Investment Income	6	10	-	50	-	60	119
Voluntary sources							
Grants and donations	7	536	12	720	1,079	2,347	1,297
Exceptional item	28	21	-	8,607	-	8,628	-
Total income and endowments		37,714	12	9,084	1,079	47,889	34,785
EXPENDITURE ON:							
Costs of raising funds							
Fundraising and development	8	13	-	-	-	13	46
Other trading costs		285	-	-	-	285	234
Interest and other costs		409	-	-	-	409	474
Charitable activities							
Education		35,797	19	20	-	35,836	32,846
Total expenditure	8	36,504	19	20	-	36,543	33,600
Net operating income/(expenditure)		1,210	(7)	9,064	1,079	11,346	1,185
Net gains on investments	14	-	-	-	365	365	34
Net income/(expenditure)		1,210	(7)	9,064	1,444	11,711	1,219
Transfer between funds	20	(2,066)	-	2,066	-	-	-
Net movement in funds		(856)	(7)	11,130	1,444	11,711	1,219
Fund balances brought forward		33,556	2,103	449	1,568	37,676	36,457
Fund balances carried forward	20, 21	32,700	2,096	11,579	3,012	49,387	37,676

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 2021

	Notes	2021 Group £000s	2020 Group £000s	2021 Foundation £000s	2020 Foundation £000s
FIXED ASSETS					
Tangible assets	13	63,535	49,731	63,530	49,731
Investments	14	3,197	1,568	194	-
		66,732	51,299	63,724	49,731
CURRENT ASSETS					
Stocks	15	54	37	54	37
Debtors	16	897	620	882	581
Cash at bank and in hand		12,644	9,038	12,203	8,964
		13,595	9,695	13,138	9,582
CREDITORS: Amounts falling due within one year	17	(13,053)	(8,828)	(12,986)	(8,793)
NET CURRENT ASSETS/(LIABILITIES)		542	867	153	789
TOTAL ASSETS LESS CURRENT LIABILITIES		67,274	52,166	63,877	50,520
CREDITORS: Amounts falling due after more than one year	18	(17,779)	(14,351)	(17,779)	(14,351)
Provisions for liabilities and charges	11	(110)	(139)	(110)	(139)
NET ASSETS		49,385	37,676	45,988	36,030
FUNDS					
Restricted funds	20	11,579	449	11,412	420
Unrestricted funds – general	20	34,796	35,659	34,578	35,610
Endowment fund	20	3,012	1,568	-	-
		49,387	37,676	45,990	36,030

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 2021 was £46,233k (2020: £34,595k) and Net Income during the year ended 31 August 2021 was £9,983k (2020: £1,227k). Excluding the exceptional item in the year the Total Incoming Resources was £37,625k and Net Income was £1,375k.

Approved and authorised for issue by the Board of Governors on Saturday 11 December 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 2021

CASH FLOW STATEMENT

Notes

2021
£000s

2020
£000s

Net cash inflow from operating activities

27

4,559

(92)

Cash flows from investing activities:

Bank interest received

10

72

Dividends received

50

47

Interest element of finance lease rental payments

(361)

(416)

Payments to acquire fixed assets

(4,305)

(3,156)

Net cash outflow from investing activities

(4,606)

(3,453)

Financing:

Loans received

4,500

-

Loans repaid

(844)

(783)

Net cash outflow from financing activities

3,656

(783)

Increase/(decrease) in cash

3,609

(4,328)

Cash and cash equivalents at the
beginning of the reporting period

9,038

13,366

Cash and cash equivalents at the
end of the reporting period

12,647

9,038

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

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 SORP), 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, Cobham Hall Enterprises and five separately registered charitable trusts linked to The Mill Hill School Foundation. The assets, liabilities and results of the wholly owned subsidiaries are consolidated into these financial statements. Summarised details of the subsidiary company are set out in Note 25. There are five 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. Accordingly, the governors continue to prepare the financial statements on a going concern basis.

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 Foundation.

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.

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 finance interest, fundraising costs and costs associated with the trading subsidiaries.

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.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

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 land and buildings are not depreciated due to regular maintenance and are subject to an annual impairment review. 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. At each reporting end date, the Foundation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 and buildings, 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.

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.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

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 2010.

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.

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. 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 1.9 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.

Investment property

The Foundation uses the valuation performed by its independent valuers as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market based yields. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

3 FEE INCOME

The School's activities are carried out within the UK.	2021	2020
The school's fee income comprised:	£000s	£000s
Gross fees	37,235	35,222
Less: Discounts	(728)	(1,946)
Less: Scholarships and bursaries	(1,741)	(1,564)
	<u>34,766</u>	<u>31,712</u>

Included within scholarships and bursaries is an amount of £293k (2020: £283k) which relates to restricted bursaries.

4 OTHER EDUCATIONAL INCOME

	2021	2020
	£000s	£000s
Extras and disbursements	761	514
Registration fees	260	225
Fees in lieu of notice	405	274
School trips	8	365
Other income	240	31
	<u>1,674</u>	<u>1,409</u>

5 OTHER TRADING INCOME

	2021	2020
	£000s	£000s
Rent and lettings	-	26
Profit/(loss) on disposal of assets	(19)	(3)
Enterprise company	433	225
	<u>414</u>	<u>248</u>

6 INVESTMENT INCOME

	2021	2020
	£000s	£000s
Interest receivable	10	72
Dividend income	50	47
	<u>60</u>	<u>119</u>

Included within the above is an amount of £50k (2020: £47k) which relates to restricted income.

7 DONATIONS AND GRANTS

	Unrestricted	Designated	Restricted	Endowment	2021	2020
	£000s	£000s	£000s	£000s	£000s	£000s
Donations and gifts	536	12	720	1,079	2,347	1,297
Donations and grants	-	12	581	-	593	264
Ousey and Winfrey Trusts	-	-	139	1,079	1,218	-
Legacies	194	-	-	-	194	-
Furlough grant	342	-	-	-	342	1,033
Total	<u>536</u>	<u>12</u>	<u>720</u>	<u>1,079</u>	<u>2,347</u>	<u>1,297</u>

Included within the above is an amount of £720k (2020: £264k) which relates to restricted income.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

8 EXPENDITURE

	Staff costs (note 9)	Other	Depreciation	Total
	£000s	£000s	£000s	£000s
Teaching	19,637	1,473	-	21,110
Welfare	2,666	1,281	-	3,947
Premises and Estates	1,026	3,391	1,296	5,713
Administration	2,750	2,043	-	4,793
Finance	-	409	-	409
Trading costs	179	119	-	298
Governance	92	181	-	273
	26,350	8,897	1,296	36,543

Included within expenditure is an amount of £20k (2020: £25k) relating to restricted expenditure.

	Staff costs	Other	Depreciation	Total
	£000s	£000s	£000s	£000s
Teaching	17,590	1,684	-	19,274
Welfare and Catering	2,477	1,056	-	3,533
Premises	982	3,533	1,006	5,521
Administration	2,226	2,020	-	4,246
Finance	-	474	-	474
Trading costs	195	474	-	669
Governance	167	105	-	272
	23,637	9,346	1,006	33,989

Other Governance Costs include:

	2021	2020
	£000s	£000s
Auditors' remuneration		
- Audit Fees	51	47
Legal and Professional Fees	128	51

Administration, finance and trading costs include:

	2021	2020
	£000s	£000s
Salaries	2,353	1,927
National Insurance	223	179
Pension Costs	128	107
Redundancy Costs	-	13
Other Staff Costs	225	195
IT support	490	430
Postage and stationery	327	369
Telephones	139	111
Marketing and advertising	729	611
Miscellaneous - Administration	108	154
Bad debts	(96)	86
Legal and Professional Fees	236	132
Other Administration Costs	79	99
Bank charges and interest	19	28
Loan Interest	361	416
Other Finance	48	58
Other trading costs	119	85
	5,488	5,000

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

9 STAFF COSTS	2021	2020
	£000s	£000s
Wages and salaries	20,123	17,854
Redundancy and settlement costs	109	13
Social security costs	2,102	1,864
Other pension costs	3,130	2,888
Other staff costs	886	1,018
	26,350	23,637

The number of employees who received remuneration under redundancy and settlement costs were 14 (2020: 3)

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

	2021	2020
	No.	No.
Teaching	263	221
Non-teaching	350	277
	613	498

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

	2021	2020
	No.	No.
£60,000 - £70,000	50	43
£70,001 - £80,000	25	17
£80,001 - £90,000	4	1
£90,001 - £100,000	1	1
£100,001 - £110,000	4	1
£110,001 - £120,000	-	1
£120,001 - £130,000	-	2
£130,001 - £140,000	1	-
£160,001 - £170,000	1	-
£170,001 - £180,000	1	-
	87	66

Pension contributions for the year under money purchase amounted to £65k (2020: £19k) and pension contributions for the year under defined benefit schemes was £1,265k (2020: £1,057k) for the above employees.

Key management personnel include the CEO, Foundations' Headteachers and the Director of Finance and Resources and Director of Operations. The total number of key management personnel receiving pay and benefits is 7 (2020: 6). The total pay and benefits received by key management personnel were £1,101k (2020: £872k).

10 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration for the year ended 31 August 2021 nor for the year period 31 August 2020. 6 Governors (2020: 7) were reimbursed travel expenses totalling £1k (2020: £3k).

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

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 £2,736k (2020: £2,558k) and at the year end £nil (2020: £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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 cost cap mechanism review is 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 2021 was £378k (2020: £327k). Outstanding at the year end £47k (2020: £nil).

In addition, The Foundation has unfunded pension arrangements, which have been closed to new members since December 1978. The unfunded pension obligations of these arrangements call for making annual payments to five retired members of staff (2020: six retired members of staff) which are charged against revenue in the year. Payments to pensioners in the year were £16k (2020: £19k) and a reduction in the value of the liability of £29k (2020: £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 £110k (2020: £139k).

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

12 NET INCOME FOR THE YEAR

	2021 £000s	2020 £000s
Net income is stated after charging:		
Depreciation of tangible fixed assets	1,296	1,006
Operating lease rentals – other	361	230
Auditor's remuneration		
Audit services for the Foundation - current year	40	38
Audit services for the Foundation - prior year under provision	4	3
Audit services for the subsidiary	7	6
Non-audit services	10	25

13 TANGIBLE FIXED ASSETS GROUP

	Freehold Property £000s	Fixtures, Fittings, Furniture, & Equipment £000s	Motor Vehicles £000s	Total £000s
Cost:				
At 1 September 2020	53,180	10,481	362	64,023
Additions	2,752	1,534	19	4,305
Disposals	-	(89)	(20)	(109)
Assets transferred in from acquisition	10,650	836	57	11,543
At 31 August 2021	66,582	12,762	418	79,762
Depreciation:				
At 1 September 2020	7,926	6,129	237	14,292
Charge for year	-	1,190	48	1,238
Disposals	-	(72)	(18)	(90)
Depreciation transferred in from acquisition	8	722	57	787
At 31 August 2021	7,934	7,969	324	16,227
Net book value:				
At 31 August 2021	58,648	4,793	94	63,535
At 1 September 2020	45,254	4,352	125	49,731

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 and gross assets of £6k and depreciation of £1k relating to Cobham Hall Enterprises giving a £5k Net Book Value

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 court 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 £248,335k (2020: £170,560k). An annual impairment review is undertaken. See note 1 for more detail.

The Foundation has long-held historic assets which are used in the course of its teaching. These collections include antiquities and works of art. These historic assets were appraised by Bonhams during the year to a value of £232k and are insured through an appropriate policy. As the assets are in regular use to support the main objects of the Foundation they are regarded as functional rather than heritage assets.

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 £45,701 (2020: £41,622) for the period.

	2021 £000s	2020 £000s
Motor Vehicles	41	71
IT Equipment	23	22

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

14 INVESTMENTS	Market value 2021 £000s	Investment properties 2021 £000s	Total 2021 £000s	Market value 2020 £000s	Investment properties 2020 £000s	Total 2020 £000s
GROUP						
Cost/valuation at 1 September 2020	1,568	-	1,568	1,534	-	1,534
Additions	1,070	194	1,264	-	-	-
Gains arising from movements in valuations	365	-	365	34	-	34
Cost/valuation at 31 August 2021	<u>3,003</u>	<u>194</u>	<u>3,197</u>	<u>1,568</u>	<u>-</u>	<u>1,568</u>
Historic cost	<u>1856</u>	<u>194</u>	<u>2,050</u>	<u>786</u>	<u>-</u>	<u>786</u>
FOUNDATION					Investment properties Total 2021 £000s	Investment properties Total 2020 £000s
Additions					194	-
Cost/valuation At 31 August 2021					<u>194</u>	<u>-</u>
Historic cost					<u>194</u>	<u>-</u>
15 STOCK					2021 £000s	2020 £000s
					<u>54</u>	<u>37</u>
16 DEBTORS						
	2021 Group £000s	2020 Group £000s	2021 Foundation £000s	2020 Foundation £000s		
Fees and extras	1,378	608	1,273	563		
Less provision for doubtful debts	(1,047)	(452)	(1,047)	(452)		
Other debtors	29	230	29	230		
Prepayments and accrued income	536	234	532	234		
Amount due from group undertaking	-	-	95	6		
	<u>897</u>	<u>620</u>	<u>882</u>	<u>581</u>		

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

17 CREDITORS

Amounts falling due within one year:

	2021 Group £000s	2020 Group £000s	2021 Foundation £000s	2020 Foundation £000s
Loans	1,552	850	1,552	850
Trade creditors	1,446	1,044	1,422	1,040
Taxation and social security costs	51	49	19	32
Fees received in advance and deposits	9,559	6,598	9,559	6,598
Other creditors	194	78	151	70
Accruals	207	184	189	177
Amounts payable under finance leases	43	26	43	26
Amount due to group undertaking	-	-	51	-
	13,053	8,828	12,986	8,793

Deferred income:

	2021 £000s	2020 £000s
Brought forwards	6,598	8,439
Released in year	(6,598)	(8,439)
Received in year	9,559	6,598
	9,559	6,598

Carried forwards

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

18 CREDITORS DUE AFTER ONE YEAR

	2021 Foundation & Group £000s	2020 Foundation & Group £000s
Amounts falling due after more than one year:		
Bank loan	13,021	10,066
Amounts payable under finance leases	72	63
School fee deposits	3,969	3,364
Fees in advance	717	858
	17,779	14,351

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

	2021 £000s	2020 £000s
Movement on loans		
In one year or less	1,553	850
Between one and two years	1,812	884
Between two and five years	7,272	2,605
After five years	3,936	6,577
	14,573	10,916
	2021 £000s	2020 £000s
Movement on school fee deposits:		
In one year or less	2,080	1,832
Between one and two years	1,090	852
Between two and five years	1,493	1,287
After five years	1,386	1,225
	6,049	5,196
	2021 £000s	2020 £000s
Movement on fees in advance:		
In one year or less	7,479	4,766
Between one and two years	424	448
Between two and five years	293	395
After five years	-	15
	8,196	5,624
	2021 £000s	2020 £000s
Movement on finance leases:		
In one year or less	63	26
Between one and two years	41	63
Between two and five years	-	-
	104	89

The Foundation has three loan facilities with National Westminster Bank Plc of £2.5m, £6m and £4.5m. The loans are repayable in quarterly instalments of £69k, £102k and £75k per annum respectively. The maturity dates of the facilities are 16 October 2028, 28 August 2034 and 6 November 2026. Interest on the amounts drawn is charged at a rate of LIBOR plus 2.25% on the first loan, a fixed rate of LIBOR + 2.25% on the second, and base rate + 3% on the third. 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%. The £4.5m CBILS loan was repaid in December 2021.

Interest charged in the year on amounts drawn totalled £99k, £113k and £nil (2020: £108k and £149k) and the balances outstanding at the balance sheet date were £1.6m, £4.7m and £4.5m 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 £55k and £75k (2020: £67k and £92k) and the balance outstanding at the balance sheet date was £3.75m.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

19 FINANCIAL INSTRUMENTS

	2021 Group £000s	2020 Group £000s	2021 Foundation £000s	2020 Foundation £000s
Financial assets measured at fair value through profit and loss	3,197	1,568	-	-
Carrying amount of financial assets				
Debt instruments at amortised cost	360	284	350	295
Carrying amount of financial liabilities				
Measured at amortised cost	22,548	17,419	22,465	17,399

20 STATEMENT OF FUNDS

	At 1 September 2020 £000s	Income £000s	Expenditure £000s	Transfer Between Funds £000s	Gains/ (losses) £000s	At 31 August 2021 £000s
Unrestricted funds:						
General reserve	33,556	37,714	(36,504)	(2,066)	-	32,700
Designated Fund	1,996	-	-	-	-	1,996
Designated fund (donations & fundraising)	107	12	(19)	-	-	100
	35,659	37,726	(36,523)	(2,066)	-	34,796
Restricted funds:						
Other Restricted Funds	235	674	(136)	(192)	-	581
Cobham Hall School	-	8,584	-	2,066	-	10,650
ABC Bursaries	214	119	(177)	192	-	348
	449	9,377	(313)	2,066	-	11,579
Endowment fund	1,568	1,079	-	-	365	3,012
Total funds	37,676	48,182	(36,836)	-	365	49,387

	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 - general	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:						
Restricted Other 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
	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

The Mill Hill School Foundation

ACCOUNTING POLICIES

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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:

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 £nil (2020: £91k) 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 2020.

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.

Cobham Hall School: During the year the Foundation acquired Cobham Hall School, an independent day and boarding school for girls. The land and the buildings have been recognised in restricted funds as a result of a restrictive covenant in place for 5 years.

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 £43,180 value at August 2021, £43,034 relates to The Foundation (2020: £30,069) and £146k relates to Mill Hill School Enterprises (2020: £49k).

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	2021 Total £000s
Tangible fixed assets	52,885	10,650	-	63,535
Investments	-	-	3,197	3,197
Current assets	12,666	929	-	13,595
Current liabilities	(13,053)	-	-	(13,053)
Long term liabilities	(17,889)	-	-	(17,889)
Total net assets	34,609	11,579	3,197	49,385
	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

The Mill Hill School Foundation

ACCOUNTING POLICIES

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22 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2021, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 Plant & Machinery £000s	2021 Other £000s	2020 Plant & Machinery £000s	2020 Other £000s
Due within one year	272	89	259	19
Due between one to two years	158	56	239	3
Due between two to five years	83	58	190	-
Due after more than five years	-	6	-	-
	513	209	688	22

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 £nil (2020: £35k), of which £nil (2020: £35K) relates to services provided to Belmont Gym Project. During the year, The Mill Hill School Foundation incurred recruitment costs of £540 (2020: £44k) from RS Academics, a company at which R Burdell, a former 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 £15k (2020: £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 2021 are:

	2021 £000s	2020 £000s
Net assets at At 1 September 2020	1,722	1,685
Income	50	47
Expenditure	(51)	(44)
Excess expenditure over income	(1)	3
Purchase of investments	-	-
Unrealised gains on investments	276	34
Net Assets at At 31 August 2021	1,997	1,722

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 2021 for pupils in the school was £51k (2020: £44k).

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.

During the year control of a further two Trust Funds passed to the Foundation.

	Charity number
The Ousey Scholarship Trust	1035224
Sir Richard Winfrey Memorial Scholarship	1019611

The trust funds provide scholarships to the pupils at the school.

The combined results for the above Trust Funds transferred to the school for the period ended 31 August 2021 are:

	2021 £000s
Investments - Endowment	1,070
Cash - Endowed	9
Cash - Restricted	215
Current Liabilities	(76)
	1,218
Donation - Endowed	1,079
Donation - Restricted	139
	1,218

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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 2021 and the year ending 31 August 2020 are detailed as follows:

	2021 £000s	2020 £000s
Income	326	225
Expenditure	(229)	(233)
Rent paid to The Mill Hill School Foundation	-	(38)
Excess of income over expenditure*	97	(46)
Assets	233	89
Liabilities	(87)	(40)
Net assets at year end	146	49

*an annual rental of £nil (2020: £37.5k), salary and pension £176k (2020: £37k), catering and cleaning £nil (2020: £nil), heat and light £4k (2020: £4k) insurance £nil (2020: £nil), repairs & maintenance £nil (2020: £nil), telephone £1k (2020: £1k) was paid to The Foundation. The year-end surplus (excess of income over expenditure) of Mill Hill School Enterprises for 2021 is £97k (2020: £nil). The year-end surplus (if any) is distributed to The Mill Hill School Foundation under the gift aid scheme.

Cobham Hall Enterprises is a company limited by share capital and is controlled by The Mill Hill Foundation which is a company registered in England and Wales, number 03032723. Its results, adjusted for consolidation with The Foundation's accounts, for the year ending 31 August 2021 and the year ending 31 August 2020 are detailed as follows:

	2021 £000s	2020 £000s
Income	106	-
Expenditure	(59)	-
Excess of income over expenditure	47	-
Assets	126	-
Liabilities	(57)	-
Net assets at year end	69	-

26 CAPITAL COMMITMENTS

Capital expenditure authorised and contracted at 31 August 2021 totalled £213k (2020: £nil). 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.

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

27 NOTES TO THE CASHFLOW STATEMENT

	2021	2020
	£	£
	£000s	£000s
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	11,711	1,219
Gains on investments	(365)	(34)
Depreciation	1,238	1,007
Investment income	(10)	(72)
Dividends received	(50)	(47)
Loan interest	361	416
Increase/(decrease) in pension provision	(29)	-
Profit/(Loss) on sale of Fixed Assets	(166)	4
Increase/(Decrease) in creditors	4,002	(2,635)
(Increase)/Decrease in debtors	(281)	31
Decrease/(Increase) in stocks	(17)	19
Fair value of assets transferred in	(10,571)	-
Gift of investment property	(194)	-
Trusts transfer	(1,070)	-
	4,559	(92)

Analysis of changes in net debt

	At 1 September 2020 £000s	Cash flows £000s	Other non- cash changes £000s	At 31 August 2021 £000s
Cash and cash equivalents				
Cash	9,038	3,609	-	12,648
Overdrafts	-	-	-	-
Cash Equivalents	-	-	-	-
	9,038	3,609	-	12,648
Borrowings				
Debt due within one year	(850)	843	(1,545)	(1,552)
Debt due after one year	(10,066)	(4,500)	1,545	(13,021)
	(10,916)	(3,657)	-	(14,573)
Total	(1,878)	(48)	-	(1,925)

The Mill Hill School Foundation

ACCOUNTING POLICIES

for the year ended 31 August 2021

28 ACQUISITION OF COBHAM HALL SCHOOL

On 4 March 2021 the Foundation acquired Cobham Hall School, an incorporated charity limited by guarantee incorporated in England and Wales, company number 686707 and charity number 313650. The consideration was for £1. On that date Cobham Hall School transferred all of its trade and net assets to the Foundation. Cobham Hall School has been dormant since 5 March 2021.

	Book Value £	Fair Value £
Cash and cash equivalents	19	19
Freehold buildings	6,125	10,650
Property, plant and equipment	159	159
Current assets	11	11
Current liabilities	(2,232)	(2,232)
Net assets	4,082	8,607

On 4 March 2021 the Foundation also acquired the share capital of Cobham Hall Enterprises Limited, a company limited by shares incorporated in England and Wales, company number 03032723

	2020 £
Tangible Assets	5
Cash and cash equivalents	2
Current assets	360
Current liabilities	(364)
Net assets	(3)
	-
Income	158
Expenditure	(137)
Profit for the year	21
Total	8,628

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