



Company Registration Number: 03404450

**THE MILL HILL SCHOOL FOUNDATION**

# ANNUAL REPORT OF THE GOVERNORS

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# COURT OF GOVERNORS

The Governors present their Annual Report and audited Consolidated Financial Statements for the year ended 31 August 2022 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/<br>Leaving Date<br>(1 September 2021<br>- 10 December 2022) |  | Committee<br>Membership     |
|--|---|--|-----------------------------|
|  |   |  |                             |
| <b>Chair of the Court of Governors</b><br>Mr Elliot Lipton, BSc (Hons), MBA, FRSA, FRICS |   |  | Ex-officio. S(Ch),<br>T     |
| <b>Vice Chair of the Court of Governors</b><br>Mrs Stephanie J Miller, BA (Hons)         |   |  | A, E, F, G(Ch),<br>P(Ch), S |
| Professor Eric WFW Alton, MA MB, BS, MD, FRCP,<br>FHEA, FERS, FMedSci                    |   |  | A(Ch), G, S                 |
| Mrs Charlotte Avery, MA (Oxon)   |   |  | A                           |
| Mrs Kamal Dhillon BSc (Hons)   | Appointed on 18 June 2022   |  | F                           |
| Mr Kevin Doble BA PDM PGCE FRSA  | Stepped down on 21 February 2022                                      |  | A                           |
| Mr Simon Bayliss BSc(Hons), PGCE, MSc  | Stepped down on 14 October 2022                                       |  | P                           |
| Mr Paul Dunleavy BA (Hons) CISSP-ISSAP<br>CISM CDPO MBCS.                                |   |  | A, E, S                     |
| Mr Malcolm Gough BA, LLB, LLM, PGCE  | Appointed on 1 September 2022   |  | A                           |
| Mr Rudolph A Elliott Lockhart MA MPhil   | Stepped down on 12 October 2022                                       |  | A, S                        |
| Mrs Sunena Stoneham LLB (Hons), LPC  | Stepped down on 14 September 2022                                     |  | F, G(Ch), S                 |
| Mr Andrew Millet BA MBA FCA  |   |  | F(Ch), G, S                 |
| Mrs Mary Moore MSC BA FCIPD  |   |  | F,P, S                      |
| Mr Noyan Nihat   |   |  | E, F, S                     |
| Dr Kiki O’Neill-Byrne BA (Hons), MB, BCh, BAO,<br>Dip. Clin. Psych., FRCPsych            |   |  | P                           |
| Mrs Mangal Patel MBA   |   |  | A, E, S                     |
| Mr Mark Skelly BEng (Hons) PhD RAEngVTF  |   |  | E(Ch), G, S                 |
| Mr Nigel Taylor MA   | Appointed on 1 September 2022   |  | A, P                        |
| Mr David Tyme LLB (Hons)   | Appointed on 18 June 2022   |  | F                           |

A – Academic Committee

Ch – Chair of Committee

E – Estates Committee

F - Finance Committee

G –Governance Committee

P – Pastoral Committee

S – Strategy Committee

T - Trustees Committee

# STRATEGIC REPORT

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## 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 team work, 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 seven 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 2022 offered a return to relative normality after the challenges of the pandemic period. The Foundation continues to go through an exciting period of growth and development. Progress continued to be made on our longer-term aims, including a number of new strategic initiatives. Key highlights were:

| Initiatives for 2021/2022  | Progress made   |
|--|---|
| Improve academic outcomes at all schools                               | The appointment of key new staff, and good peer support between schools, has added extra impetus to academic improvements.  |
| Successfully integrate Cobham Hall School into the Foundation          | Following the successful merger in March 2021, permission was granted by the DfE for the Sixth Form to become co-educational                                      |
| Create an Estates Master Plan for Mill Hill School                     | The Master Plan has been created, working with a firm of architects. The plans are currently going through a consultation with local planners                     |
| Complete the Pay and Benefits review for the four schools in Mill Hill | This was completed during the year, and implemented in Jan 2022.  |
| Planning for an all-weather pitch for Belmont                          | Planning permission was rejected by the local officer, and the application has now moved to an appeal stage   |
| Implement an IT strategy for all schools                               | The strategy has been developed by an experienced IT Director, with a team restructure to support this. A roll-out of devices and classroom technology is ongoing |
| Add suitable new schools into the Foundation                           | Lyonsdown School and Keble Prep School were added into the Foundation through a charity merger in March 2022  |

The Foundation's objectives are centred on an unrelenting focus upon the welfare of the pupils in our care, with an ongoing ambition to continually raise standards across all areas of school life. One consequence of this approach is a growing pupil roll and high demand for places. By the end of the 2021/2022 year, nearly 2,200 pupils attended a Foundation school, compared to an average of 1,820 in the previous year. As part of a long term trend toward parity of numbers of boys and girls, the boy/girl split at the Foundation was 53%/47%.





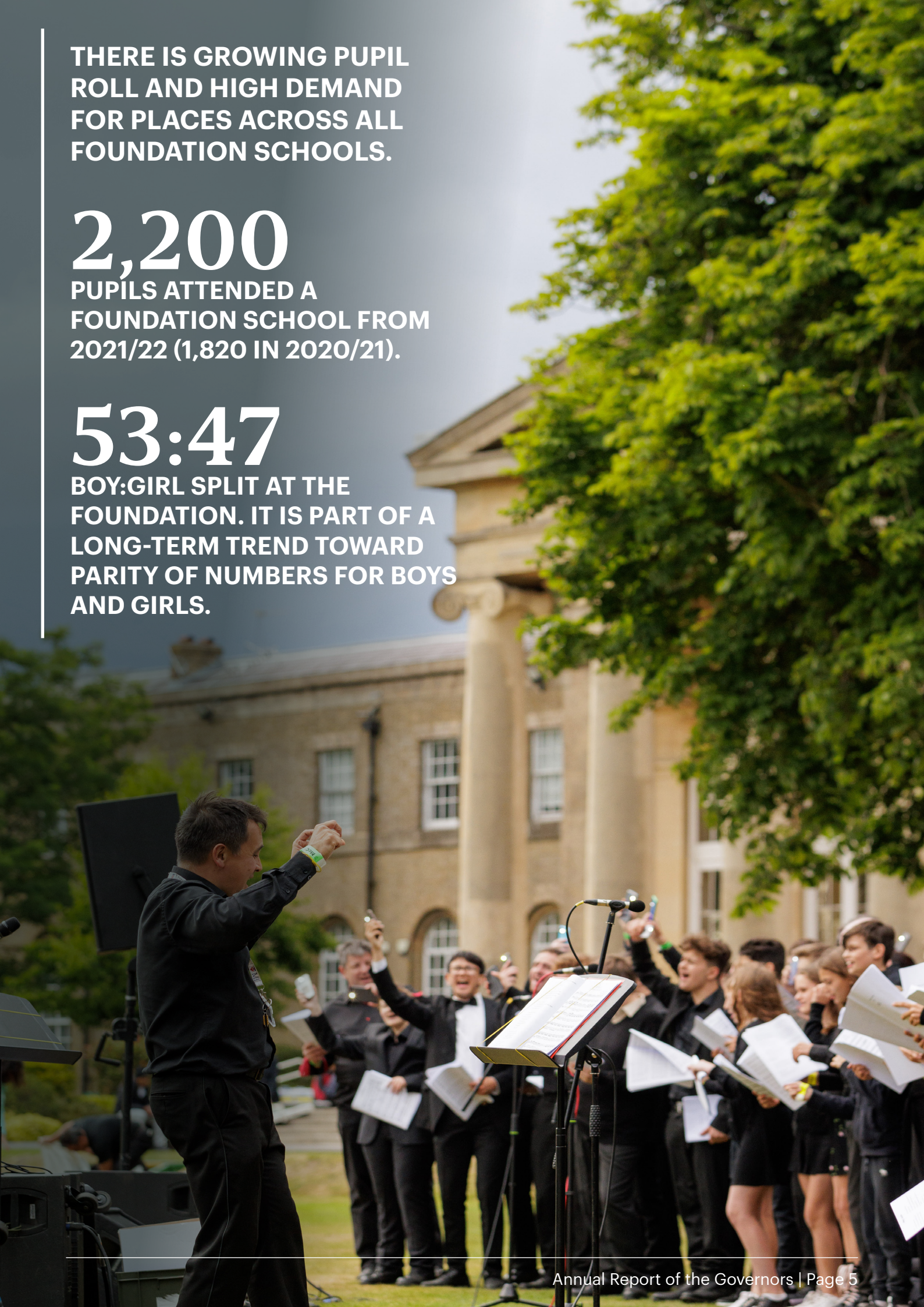
**THERE IS GROWING PUPIL  
ROLL AND HIGH DEMAND  
FOR PLACES ACROSS ALL  
FOUNDATION SCHOOLS.**

**2,200**

**PUPILS ATTENDED A  
FOUNDATION SCHOOL FROM  
2021/22 (1,820 IN 2020/21).**

**53:47**

**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 21/22 include:

### 1. Academic Achievements

After the use of Teacher/Centre Assessed Grades in the previous two years, the exams in 2022 returned to a form more akin to normality. Excellent pastoral support and measures to provide continuity of teaching during lockdown resulted in very pleasing external exam results for a cohort who had seen much disruption.

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

#### GCSE/iGCSE Results 2022

|                         | 9 - 7% | 9 - 4% |
|-------------------------|--------|--------|
| Mill Hill School        | 61     | 99     |
| Cobham Hall School      | 46     | 94     |
| Mill Hill International | 64     | 98     |
| National Average        | 26     | 73     |

#### A Level Results 2022

|                    | A* - A % | A* - B % | A* E % |
|--------------------|----------|----------|--------|
| Mill Hill School   | 46       | 76       | 99     |
| Cobham Hall School | 17       | 55       | 97     |
| National Average   | 36       | 62       | 98     |

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 (8% higher at 9-7).

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 & Cambridge), USA and elsewhere in the world.

The focus upon academic excellence has continued with a significant investment in core academic facilities in Mill Hill School during the summer holidays of 2022, with the Maths department being fully renovated.

### 2. Lyonsdown School and Keble Prep School

These two local prep schools joined the Foundation through a charity merger in March 2022. A charity merger is a nil-cost arrangement where the assets and liabilities of the two schools transferred to the Foundation, and all the existing employees transferred over under their existing terms and conditions. Lyonsdown School will remain an all-girl prep school, whereas plans are in place to introduce a Nursery to Keble Prep and make it a co-educational school. There are a number of benefits to the new and existing schools from the new arrangements. Expertise can be shared and standards raised through mutual support, and the new schools benefit from some of the central services of the Foundation. Pupils at the new schools have gained access to Foundation facilities, like the theatre, sports facilities and the Forest School. Both of the new prep schools have traditionally been feeder schools to Belmont and Mill Hill School, and the new arrangement supports this where it is in the interests of the child and the preference of the parents.





### 3. 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. A joint Wellbeing Conference has been planned and will take place in the 22/23 academic year, and the Head of Mill Hill School continues to serve as a Copthall Governor. We also enjoy a mutually supportive connection with Saracens High School.

We have continued to see high demand from community organisations for the use of our facilities. This supports our benefit for the wider community, and any commercial income continues to be invested to further improve what we can offer. We have continued to have positive partnership with sports clubs like Middlesex Cricket, Saracens RFC, Tottenham Hotspur FC and London Irish RFC. In the summer holidays of 2022, we hosted the South Africa Men's hockey team, in their preparation for the Commonwealth Games.

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**Excellent pastoral support and measures to provide continuity of teaching during lockdown resulted in very pleasing external exam results for a cohort who had seen much disruption.**

### 4. Cobham Hall School

As indicated in last year's accounts, following a successful consultation and DfE approval, the Sixth Form at Cobham Hall became co-educational, whilst maintaining Year 7-11 just for girls. 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. During the year, a new Sixth Form centre was created, a biomass boiler was installed and improvements were made to the facilities for boarding and sport. A number of key new staffing appointments were also made.





## 5. Widening Access

The Foundation actively promotes its public benefit profile locally and nationally. The Governors are committed to widening 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 2022, bursary assistance totalling £1,211k (August 2021 - £1,223k) was awarded to 82 pupils (August 2021 – 82 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 £769k (August 2021 -£500k) were awarded to 338 pupils (August 2021 -318). 26 pupils (August 2021 – 32 pupils) were awarded a combination of scholarship and bursary assistance. During the period, the Foundation provided 100% fee remission to 30 pupils (August 2021 - 31).

In the twelve-month period to August 2022, total fee assistance from all sources, including external funding, was £2,609k (August 2021 - £2,470k). This represented 5.9% (August 2021 – 6.6%) of Gross Fee income and included some ongoing Hardship Assistance for families that continued to be impacted negatively by the pandemic.

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 2022, the Development Office oversaw total donations of £458k (August 2021 - £593k), including legacies. As the pandemic has reduced in its impact, it has been a pleasure to re-establish the regular networking events that provide ongoing benefits to Old Millhillians. The Development Office continues to value the relationships maintained by the Old Millhillian Club, and all pupils are now automatically members of this thriving community when they leave Mill Hill School.

Bringing new schools into The Foundation has increased the opportunities in bringing former pupils together with links now established between Old Millhillians and the Elders of Cobham Hall.



**In the last financial year until August 2022, the Development Office oversaw total donations of £458k (August 2021 - £593k), including legacies.**



# STRUCTURE, GOVERNANCE AND MANAGEMENT OF THE FOUNDATION

The Foundation is a company limited by guarantee, number 3404450, and a registered Charity, number 1064758. The Foundation's governing document is its Articles of Association. It comprises seven 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
- Cobham Hall, founded 1962 for girls aged 11-16 (co-ed Sixth Form), day and boarding
- Keble Preparatory School founded 1929 for boys aged 4-13, day only, which joined the Foundation in March 2022
- Lyonsdown School founded 1906 for girls aged 4-11, day only, which joined the Foundation in March 2022

The Governors of the Foundation, as Directors of the Company, are also the Charity's Trustees. Governors who served during the period 1 September 2021 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 11 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. From November 2021 the activities of Cobham Hall Enterprises are included in Mill Hill School enterprises.

## 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 2022 was £41k (2021 - £51k). 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 2022 was £0k (2021 - £22k).

## 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 are mindful of the Foundations commitment to provide public benefit and have given due consideration to the requirement of the Charities Act 2011 and guidance produced 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 evaluates the risk register. 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 seven Heads of the schools, the Director of Finance and Resources and the Director of Operations.

A scheme of delegation formalises the responsibilities between Governors, 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 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 Foundations employees
- the need to foster the Foundations business relationships with suppliers, customers and others
- the impact of the Foundations operations on the community and the environment
- the desirability of the Foundation maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Foundation

### **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.

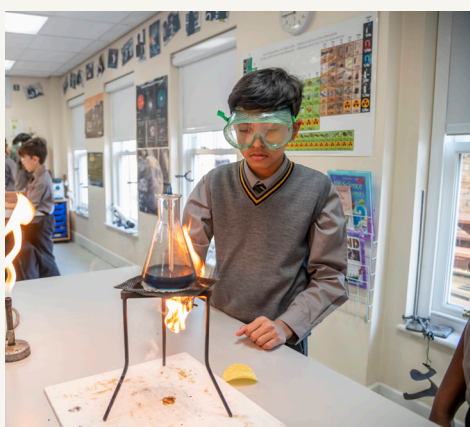


# SUB-COMMITTEES OF THE COURT OF GOVERNORS

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<br>1 September 2020<br>- 31 August 2021 |
|--------------------|------------------------------|----------------------------------|---|--|
| Academic           | Governors                    | CEO<br>DFR<br>Heads*             | Various academic staff as required                              | 6  |
| Estates            | Governors                    | CEO<br>DFR<br>DO<br>Heads*       |   | 4  |
| Finance            | Governors                    | CEO<br>DFR<br>DO<br>Heads*       | Finance Manager   | 4  |
| Pastoral           | Governors                    | CEO<br>DO<br>Heads*              |   | 3  |
| Governance         | Governors                    | CEO<br>DFR                       | Chair and Vice<br>Chair of the Life<br>Guardians once a<br>year | 5  |
| Strategy           | Governors                    | CEO<br>DFR<br>DO<br>Heads*       |   | 3  |
| Trustees           | Governors                    | CEO<br>DFR                       | Finance Manager   | 1  |

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





## 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 2022/2023 include:

- Continued 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
- 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

During the year Cobham Hall upgraded the old inefficient boiler system with a biomass boiler which will significantly reduce the Foundations carbon impact.

During the year ending August 2022 the Mill Hill based schools used 2,079 MWh of electricity and 6,700 MWh of Gas. This resulted in associated Scope 1 and Scope 2 greenhouse gas emissions of 1,731 tCO<sub>2</sub>e.

# FINANCIAL REVIEW

The financial health of the Foundation remains strong. The results for the financial year to 31 August 2022 include an exceptional item reflecting the mergers with Keble Preparatory School and Lyonsdown School with a fair value of £3,417k and £4,364k respectively (see note 28). The regular operational activities of the Foundation for the period to 31st August 2022 include income of £45,755k (2021 £37,625k). Net income excluding the exceptional items, trust funds and trading income was £893k (2021 £1,377k).

|   | <b>2022</b>   | <b>2021</b>   |
|---|---------------|---------------|
|   | <b>£'000</b>  | <b>£'000</b>  |
| Income per SOFA   | 53,536        | 47,889        |
| Income from Trust Funds & Trading Activities                  | -             | 439           |
| Ousey & Winfrey Trust   | -             | 1,217         |
| Incoming resources for the Foundation                         | 53,536        | 46,233        |
| Exceptional Item - Keble & Lyonsdown valuation                | 7,781         | 8,608         |
| Incoming resources excluding exceptional items                | <b>45,755</b> | <b>37,625</b> |
| Surplus per SOFA  | 8,674         | 11,711        |
| Income from Trust Funds & Trading Activities                  | -             | 1,726         |
|   | <b>8,674</b>  | <b>9,985</b>  |
| Exceptional Item - merger revaluation                         | 7,781         | 8,608         |
| Net income excluding exceptional items, trust funds & trading | <b>893</b>    | <b>1,377</b>  |

Capital expenditure during the year was £3,272k (2021 - £4,305k).

Mill Hill School Enterprises (including Cobham Hall Enterprises) made a gain of £479k for 12-month period to 31 August 2022, (2021 Mill Hill School Enterprise £97k, Cobham Hall Enterprises £47k).

As outlined in notes 8 and 9, the total staff related cost of the Foundation for the 12-month period to 31 August 2022 was £31,341k (2021 - £26,350k). The total staff cost includes teaching salary costs of £23,592k (2021 - £19,637k). 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 inclusion of staff costs for the two new schools since the mergers.





# 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
- the London Living Wage is paid to all Foundation employees, at least the minimum wage is paid to casual workers under the age of 21 years
- the remuneration provided by the Foundation to its employees is balanced between paying its employees fairly and competitively in order to attract and retain the best people for the Foundation and the duty to ensure value for money through the careful management of charity funds
- the Foundation manages its budget to effectively deliver its strategic development plans

# KEY PERFORMANCE INDICATORS

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

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

The financial performance indicators include:

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

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 £35,673k (2021 - £34,796k) , those which are restricted of £19,453k (2021 - £11,579k) and the Permanent Endowment Fund £2,935k (2021 - £3,012k). Included in this balance is a Pension Provision for the year of £80k (2021 - £110k, 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 periodic reviews of the systems and procedures which are in place to manage risks. These are incorporated in the Foundation's "Risk Register" covering all entities within the Foundation. 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. The Governors recognise that systems cannot provide absolute assurance that all possible risks have been identified and managed but strive to ensure strategies, systems and plans are in place to mitigate these risks where possible to do so.

Key risks identified include –

| Number | Risk   | Mitigation  |
|--------|--|---|
| 1      | Unviable financial model due to external factors such as energy prices or Government actions | Due to the external nature of this risk, there are few actions that the foundation can undertake to reduce the likelihood of it occurring<br>The Foundation focuses on cash & financial forecasting and its reserves<br>The foundation continues to monitor Government proposed policy and external factors |
| 2      | Data security and cyber security threats   | The Foundation puts in place controls to support data and cyber security<br>Security measures are in place and are continually reviewed to manage the IT networks<br>Staff training is regularly undertaken to increase staff awareness   |
| 3      | Increasingly onerous regulatory and legislative requirements                                 | Relevant staff attend regular updates<br>Membership of various industry bodies including HMC, IAPS, IBSA and AGBIS  |



|   |  |  |
|---|--|--|
| 4 | Recruitment and retention of high calibre staff  | Staff are paid competitive salaries, with training and development opportunities   |
| 5 | Reputation damage to the Foundation from academic results, pastoral support, historic issue, governance, fraud | Academic and pastoral development plans in place<br>Broad range of Governors, self-assessment of board. IT and financial |

## 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

...10 December 2022.....

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




# 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 2022 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 2022 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.

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

18 January 2023

9 Appold Street,  
London,  
EC2A 2AP

Moore Kingston Smith LLP



# The Mill Hill School Foundation

## STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure statement) for the year ended 31 August 2022

|   | Notes    | Unrestricted funds<br>£000s | Designated funds<br>£000s | Restricted funds<br>£000s | Endowment fund<br>£000s | Total<br>2022<br>£000s | Total<br>2021<br>£000s |
|---|----------|-----------------------------|---------------------------|---------------------------|-------------------------|------------------------|------------------------|
| <b>INCOME FROM:</b>                       |          |                             |                           |                           |                         |                        |                        |
| <b>Charitable Activities</b>              |          |                             |                           |                           |                         |                        |                        |
| School fees                               | 3        | 42,023                      | -                         | (265)                     | -                       | 41,758                 | 34,766                 |
| Other educational income                  | 4        | 2,467                       | -                         | -                         | -                       | 2,467                  | 1,674                  |
| <b>Other income</b>                       |          |                             |                           |                           |                         |                        |                        |
| Other trading income                      | 5        | 904                         | -                         | -                         | -                       | 904                    | 414                    |
| <b>Investments</b>                        |          |                             |                           |                           |                         |                        |                        |
| Investment Income                         | 6        | 13                          | 4                         | 103                       | -                       | 120                    | 60                     |
| <b>Voluntary sources</b>                  |          |                             |                           |                           |                         |                        |                        |
| Grants and donations                      | 7        | 142                         | -                         | 364                       | -                       | 506                    | 2,347                  |
| Exceptional item                          | 28       | -                           | -                         | 7,781                     | -                       | 7,781                  | 8,628                  |
| <b>Total income and endowments</b>        |          | <b>45,549</b>               | <b>4</b>                  | <b>7,983</b>              | <b>-</b>                | <b>53,536</b>          | <b>47,889</b>          |
| <b>EXPENDITURE ON:</b>                    |          |                             |                           |                           |                         |                        |                        |
| <b>Costs of raising funds</b>             |          |                             |                           |                           |                         |                        |                        |
| Fundraising and development               | 8        | 41                          | -                         | -                         | -                       | 41                     | 13                     |
| Other trading costs                       |          | 346                         | -                         | -                         | -                       | 346                    | 285                    |
| Interest and other costs                  |          | 395                         | -                         | -                         | -                       | 395                    | 409                    |
| <b>Charitable activities</b>              |          |                             |                           |                           |                         |                        |                        |
| Education                                 |          | 43,965                      | -                         | 38                        | -                       | 44,003                 | 35,836                 |
| <b>Total expenditure</b>                  | <b>8</b> | <b>44,747</b>               | <b>-</b>                  | <b>38</b>                 | <b>-</b>                | <b>44,785</b>          | <b>36,543</b>          |
| <b>Net operating income/(expenditure)</b> |          | <b>802</b>                  | <b>4</b>                  | <b>7,945</b>              | <b>-</b>                | <b>8,751</b>           | <b>11,346</b>          |
| Net gains on investments                  | 14       | -                           | -                         | -                         | (77)                    | (77)                   | 365                    |
| <b>Net income/(expenditure)</b>           |          | <b>802</b>                  | <b>4</b>                  | <b>7,945</b>              | <b>(77)</b>             | <b>8,674</b>           | <b>11,711</b>          |
| Transfer between funds                    | 20       | 62                          | 9                         | (71)                      | -                       | -                      | -                      |
| <b>Net movement in funds</b>              |          | <b>864</b>                  | <b>13</b>                 | <b>7,874</b>              | <b>(77)</b>             | <b>8,674</b>           | <b>11,711</b>          |
| Fund balances brought forward             |          | 32,700                      | 2,096                     | 11,579                    | 3,012                   | 49,387                 | 37,676                 |
| Fund balances carried forward             | 20, 21   | 33,564                      | 2,109                     | 19,453                    | 2,935                   | 58,061                 | 49,387                 |

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 2022

|  | Notes | 2022<br>Group<br>£000s | 2021<br>Group<br>£000s | 2022<br>Foundation<br>£000s | 2021<br>Foundation<br>£000s |
|--|-------|------------------------|------------------------|-----------------------------|-----------------------------|
| <b>FIXED ASSETS</b>  |       |                        |                        |                             |                             |
| Tangible assets  | 13    | 73,161                 | 63,535                 | 73,161                      | 63,530                      |
| Investments  | 14    | 3,120                  | 3,197                  | 194                         | 194                         |
|  |       | <b>76,281</b>          | 66,732                 | <b>73,355</b>               | 63,724                      |
| <b>CURRENT ASSETS</b>  |       |                        |                        |                             |                             |
| Stocks   | 15    | 91                     | 54                     | 91                          | 54                          |
| Debtors  | 16    | 735                    | 896                    | 537                         | 855                         |
| Cash at bank and in hand                                       |       | 8,437                  | 12,654                 | 7,742                       | 12,206                      |
|  |       | <b>9,263</b>           | 13,604                 | <b>8,370</b>                | 13,115                      |
| <b>CREDITORS: Amounts falling due within one year</b>          | 17    | <b>(13,843)</b>        | (13,059)               | <b>(13,670)</b>             | (12,959)                    |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>                        |       | <b>(4,580)</b>         | 544                    | <b>(5,300)</b>              | 156                         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | <b>71,701</b>          | 67,276                 | <b>68,055</b>               | 63,880                      |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 18    | <b>(13,560)</b>        | (17,779)               | <b>(13,560)</b>             | (17,779)                    |
| <b>Provisions for liabilities and charges</b>                  | 11    | <b>(80)</b>            | (110)                  | <b>(80)</b>                 | (110)                       |
| <b>NET ASSETS</b>  |       | <b>58,061</b>          | 49,387                 | <b>54,415</b>               | 45,991                      |
| <b>FUNDS</b>   |       |                        |                        |                             |                             |
| Restricted funds   | 20    | 19,453                 | 11,579                 | 19,227                      | 11,412                      |
| Unrestricted funds – general                                   | 20    | 35,673                 | 34,796                 | 35,188                      | 34,579                      |
| Endowment fund   | 20    | 2,935                  | 3,012                  | -                           | -                           |
|  |       | <b>58,061</b>          | 49,387                 | <b>54,415</b>               | 45,991                      |

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 2022 was £52,817k (2021: £46,233k) and Net Income during the year ended 31 August 2022 was £8,374k (2021: £9,983k). Excluding the exceptional expenditure item in the year the Total Incoming Resources was £45,036k (2021: £37,625k) and Net Income was £593k (2021: £1,375k)

Approved and authorised for issue by the Board of Governors on .....10 December 2022..... 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 2022

### CASH FLOW STATEMENT

Notes

**2022**  
**£000s**

2021  
£000s

Net cash inflow from operating activities

27

**4,650**

4,559

Cash flows from investing activities:

Bank interest received

17

10

Dividends received

103

50

Interest element of finance lease rental payments

(353)

(361)

Payments to acquire fixed assets

(3,272)

(4,305)

Net cash outflow from investing activities

**(3,505)**

(4,606)

Financing:

Loans received

-

4,500

Loans repaid

(5,355)

(844)

Net cash outflow from financing activities

**(5,355)**

3,656

Increase/(decrease) in cash

**(4,210)**

3,609

Cash and cash equivalents at the  
beginning of the reporting period

**12,647**

9,038

Cash and cash equivalents at the  
end of the reporting period

**8,437**

12,647



# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

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### 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 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.

##### Business combinations

Business combinations are accounted for using the acquisition method of accounting in accordance with the provisions set out within section 19 of FRS 102 of business combinations. Assets and liabilities received have been measured at their fair value net of any impairment losses. See note 28 for further details.

#### 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 current economic situation. 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 2022

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### 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 2022

### 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.

#### *Fair value of the acquired schools*

The Foundation used independent valuers to value the freehold buildings of the acquired schools. The valuations are based upon key assumptions of estimated value in use. In determining the fair value the valuers make reference to market evidence.

#### *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 2022

### 3 FEE INCOME

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

The school's fee income comprised:

|                                  | 2022<br>£000s | 2021<br>£000s |
|----------------------------------|---------------|---------------|
| Gross fees                       | 44,367        | 37,235        |
| Less: Discounts                  | (501)         | (728)         |
| Less: Scholarships and bursaries | (2,108)       | (1,741)       |
|                                  | <b>41,758</b> | <b>34,766</b> |

Included within scholarships and bursaries is an amount of £265k (2021: £293k) which relates to restricted bursaries.

### 4 OTHER EDUCATIONAL INCOME

|                          | 2022<br>£000s | 2021<br>£000s |
|--------------------------|---------------|---------------|
| Extras and disbursements | 1,429         | 761           |
| Registration fees        | 278           | 260           |
| Fees in lieu of notice   | 413           | 405           |
| School trips             | 28            | 8             |
| Other income             | 319           | 240           |
|                          | <b>2,467</b>  | <b>1,674</b>  |

### 5 OTHER TRADING INCOME

|                                     | 2022<br>£000s | 2021<br>£000s |
|-------------------------------------|---------------|---------------|
| Rent and lettings                   | 24            | -             |
| Profit/(loss) on disposal of assets | 6             | (19)          |
| Enterprise company                  | 874           | 433           |
|                                     | <b>904</b>    | <b>414</b>    |

### 6 INVESTMENT INCOME

|                     | 2022<br>£000s | 2021<br>£000s |
|---------------------|---------------|---------------|
| Interest receivable | 17            | 10            |
| Dividend income     | 103           | 50            |
|                     | <b>120</b>    | <b>60</b>     |

Included within the above is an amount of £103k (2021: £50k) which relates to restricted income.

### 7 DONATIONS AND GRANTS

|                          | Unrestricted<br>£000s | Designated<br>£000s | Restricted<br>£000s | Endowment<br>£000s | 2022<br>£000s | 2021<br>£000s |
|--------------------------|-----------------------|---------------------|---------------------|--------------------|---------------|---------------|
| Donations and gifts      | 142                   | -                   | 364                 | -                  | 506           | 2,347         |
| Donations and grants     | 142                   | -                   | 364                 | -                  | 506           | 593           |
| Ousey and Winfrey Trusts | -                     | -                   | -                   | -                  | -             | 1,218         |
| Legacies                 | -                     | -                   | -                   | -                  | -             | 194           |
| Furlough grant           | -                     | -                   | -                   | -                  | -             | 342           |
| <b>Total</b>             | <b>142</b>            | <b>-</b>            | <b>364</b>          | <b>-</b>           | <b>506</b>    | <b>2,347</b>  |

Included within the above is an amount of £364k (2021: £720k) which relates to restricted income.

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 8 EXPENDITURE

|                      | Staff costs<br>(note 9)<br>£000s | Other<br>£000s | Depreciation<br>£000s | Total<br>2022<br>£000s |
|----------------------|----------------------------------|----------------|-----------------------|------------------------|
| Teaching             | 23,592                           | 2,283          | -                     | 25,875                 |
| Welfare              | 2,859                            | 1,858          | -                     | 4,717                  |
| Premises and Estates | 1,078                            | 3,384          | 2,069                 | 6,531                  |
| Administration       | 3,505                            | 2,979          | -                     | 6,484                  |
| Finance              | -                                | 395            | -                     | 395                    |
| Trading costs        | 182                              | 202            | -                     | 384                    |
| Governance           | 125                              | 274            | -                     | 399                    |
|                      | <b>31,341</b>                    | <b>11,375</b>  | <b>2,069</b>          | <b>44,785</b>          |

Included within expenditure is an amount of £nil (2021: £20k) relating to restricted expenditure.

|                      | Staff costs<br>£000s | Other<br>£000s | Depreciation<br>£000s | Total<br>2021<br>£000s |
|----------------------|----------------------|----------------|-----------------------|------------------------|
| Teaching             | 19,637               | 1,473          | -                     | 21,110                 |
| Welfare and Catering | 2,666                | 1,281          | -                     | 3,947                  |
| Premises             | 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                    |
|                      | <b>26,350</b>        | <b>8,897</b>   | <b>1,296</b>          | <b>36,543</b>          |

Other Governance Costs include:

**2022** 2021  
**£000s** £000s

Auditors' remuneration

- Audit Fees **39** 51  
- Accountancy Fees **5** -  
- Other Auditors remuneration **6** -

Legal and Professional Fees **208** 128

Administration, finance and trading costs include: **2022** 2021  
**£000s** £000s

Salaries **3,413** 2,704  
Other Staff Costs **274** 225  
IT support **547** 490  
Postage and stationery **433** 327  
Telephones **147** 139  
Marketing and advertising **937** 729  
Miscellaneous - Administration **189** 108  
Bad debts **7** (96)  
Legal and Professional Fees **280** 236  
Other Administration Costs **412** 79  
Bank charges and interest **27** 19  
Loan Interest **353** 361  
Other Finance **42** 48  
Other trading costs **202** 119

**7,263** **5,488**



# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 9 STAFF COSTS

|                                 | 2022<br>£000s | 2021<br>£000s |
|---------------------------------|---------------|---------------|
| Wages and salaries              | 23,975        | 20,123        |
| Redundancy and settlement costs | 78            | 109           |
| Social security costs           | 2,584         | 2,102         |
| Other pension costs             | 3,762         | 3,130         |
| Other staff costs               | 942           | 886           |
|                                 | <b>31,341</b> | <b>26,350</b> |

The number of employees who received remuneration under redundancy and settlement costs were 8 (2021: 14)

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

|              | 2022<br>No. | 2021<br>No. |
|--------------|-------------|-------------|
| Teaching     | 310         | 263         |
| Non-teaching | 407         | 350         |
|              | <b>717</b>  | <b>613</b>  |

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

|                     | 2022<br>No. | 2021<br>No. |
|---------------------|-------------|-------------|
| £60,000 - £70,000   | 69          | 50          |
| £70,001 - £80,000   | 36          | 25          |
| £80,001 - £90,000   | 1           | 4           |
| £90,001 - £100,000  | 2           | 1           |
| £100,001 - £110,000 | 2           | 4           |
| £110,001 - £120,000 | -           | -           |
| £120,001 - £130,000 | -           | -           |
| £130,001 - £140,000 | 1           | 1           |
| £160,001 - £170,000 | -           | 1           |
| £170,001 - £180,000 | 2           | 1           |
|                     | <b>113</b>  | <b>87</b>   |

Pension contributions for the year under money purchase amounted to £44k (2021: £65k) and pension contributions for the year under defined benefit schemes was £1,667k (2021: £1,265k) for the above employees.

Key management personnel include the CEO, Foundations' Headteachers, the Director of Finance and Resources and Director of Operations. The total number of key management personnel receiving pay and benefits is 12 (2021: 7). The total pay and benefits received by key management personnel were £1,449k (2021: £1,101k).

### 10 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration for the year ended 31 August 2022 nor for the year period 31 August 2021. 7 Governors (2021: 6) were reimbursed travel expenses totalling £1k (2021: £1k).

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 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 £3,309k (2021: £2,736k) and at the year end £nil (2021: £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. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation 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 £429k (2021: £378k). Outstanding at the year end £150k (2021: £47k).

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 4 retired members of staff (2021: five retired members of staff) which are charged against revenue in the year. Payments to pensioners in the year were £9k (2021: £16k) and a reduction in the value of the liability of £30k (2021: £29k) 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 £80k (2021: £110k).

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 12 NET INCOME FOR THE YEAR

|  | 2022<br>£000s | 2021<br>£000s |
|--|---------------|---------------|
| Net income is stated after charging:                           |               |               |
| Depreciation of tangible fixed assets                          | 2,069         | 1,296         |
| Operating lease rentals – other                                | 205           | 361           |
| Auditor's remuneration   |               |               |
| Audit services for the Foundation - current year               | 39            | 40            |
| Audit services for the Foundation - prior year under provision | -             | 4             |
| Audit services for the subsidiary                              | 7             | 7             |
| Non-audit services   | 11            | 10            |

### 13 TANGIBLE FIXED ASSETS GROUP

|  | Freehold<br>Property<br>£000s | Fixtures,<br>Fittings,<br>Furniture,<br>& Equipment<br>£000s | Motor<br>Vehicles<br>£000s | Total<br>£000s |
|--|-------------------------------|--|----------------------------|----------------|
| Cost:  |                               |  |                            |                |
| At 1 September 2021                          | 66,582                        | 12,762   | 418                        | 79,762         |
| Additions                                    | 182                           | 3,005  | 85                         | 3,272          |
| Disposals                                    | -                             | (436)  | (83)                       | (519)          |
| Assets transferred in from acquisition       | 7,750                         | 612  | 63                         | 8,425          |
| At 31 August 2022                            | 74,514                        | 15,943   | 483                        | 90,940         |
| Depreciation:                                |                               |  |                            |                |
| At 1 September 2021                          | 7,935                         | 7,968  | 324                        | 16,227         |
| Charge for year                              | -                             | 1,950  | 119                        | 2,069          |
| Disposals                                    | -                             | (433)  | (84)                       | (517)          |
| Depreciation transferred in from acquisition | -                             | -  | -                          | -              |
| At 31 August 2022                            | 7,935                         | 9,485  | 359                        | 17,779         |
| Net book value:                              |                               |  |                            |                |
| At 31 August 2022                            | 66,579                        | 6,458  | 124                        | 73,161         |
| At 1 September 2021                          | 58,647                        | 4,794  | 94                         | 63,535         |

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 £313,699k (2021: £248,335k). 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 £49,780 (2021: £45,701) for the period.

|                | 2022<br>£000s | 2021<br>£000s |
|----------------|---------------|---------------|
| Motor Vehicles | 10            | 41            |
| IT Equipment   | 8             | 23            |



# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

| <b>14 INVESTMENTS</b>                      | <b>Market value</b> | <b>Investment properties</b> | <b>Total</b> | <b>Market value</b> | <b>Investment properties</b> | <b>Total</b> |
|--|---------------------|------------------------------|--------------|---------------------|------------------------------|--------------|
| <b>GROUP</b>                               | <b>2022</b>         | <b>2022</b>                  | <b>2022</b>  | <b>2021</b>         | <b>2021</b>                  | <b>2021</b>  |
|  | <b>£000s</b>        | <b>£000s</b>                 | <b>£000s</b> | <b>£000s</b>        | <b>£000s</b>                 | <b>£000s</b> |
| Cost/valuation at 1 September              | 3,003               | 194                          | 3,197        | 1,568               | -                            | 1,568        |
| Additions                                  | -                   | -                            | -            | 1,070               | 194                          | 1,264        |
| Gains arising from movements in valuations | (77)                | -                            | (77)         | 365                 | -                            | 365          |
| Cost/valuation at 31 August                | <u>2,926</u>        | <u>194</u>                   | <u>3,120</u> | <u>3,003</u>        | <u>194</u>                   | <u>3,197</u> |
| Historic cost                              | <u>1,856</u>        | <u>194</u>                   | <u>2,050</u> | <u>1,856</u>        | <u>194</u>                   | <u>2,050</u> |

| <b>FOUNDATION</b>                  | <b>Investment properties</b> | <b>Investment properties</b> |
|------------------------------------|------------------------------|------------------------------|
|                                    | <b>Total</b>                 | <b>Total</b>                 |
|                                    | <b>2022</b>                  | <b>2021</b>                  |
|                                    | <b>£000s</b>                 | <b>£000s</b>                 |
| Cost/valuation At 1 September 2021 | 194                          | -                            |
| Additions                          | -                            | 194                          |
| Cost/valuation At 31 August 2022   | <u>194</u>                   | <u>194</u>                   |
| Historic cost                      | <u>194</u>                   | <u>194</u>                   |

| <b>15 STOCK</b> | <b>2022</b>  | <b>2021</b>  |
|-----------------|--------------|--------------|
|                 | <b>£000s</b> | <b>£000s</b> |
| Stock           | <u>91</u>    | <u>54</u>    |

| <b>16 DEBTORS</b>                 | <b>2022</b>  | <b>2021</b>  | <b>2022</b>       | <b>2021</b>       |
|-----------------------------------|--------------|--------------|-------------------|-------------------|
|                                   | <b>Group</b> | <b>Group</b> | <b>Foundation</b> | <b>Foundation</b> |
|                                   | <b>£000s</b> | <b>£000s</b> | <b>£000s</b>      | <b>£000s</b>      |
| Fees and extras                   | 1,340        | 1,378        | 1,079             | 1,273             |
| Less provision for doubtful debts | (979)        | (1,047)      | (907)             | (1,047)           |
| Other debtors                     | 74           | 29           | 17                | 29                |
| Prepayments and accrued income    | 300          | 536          | 300               | 532               |
| Amount due from group undertaking | -            | -            | 48                | 68                |
|                                   | <u>735</u>   | <u>896</u>   | <u>537</u>        | <u>855</u>        |

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 17 CREDITORS

Amounts falling due within one year:

|                                       | <b>2022<br/>Group<br/>£000s</b> | 2021<br>Group<br>£000s | <b>2022<br/>Foundation<br/>£000s</b> | 2021<br>Foundation<br>£000s |
|---------------------------------------|---------------------------------|------------------------|--------------------------------------|-----------------------------|
| Loans                                 | <b>804</b>                      | 1,552                  | <b>804</b>                           | 1,552                       |
| Trade creditors                       | <b>1,428</b>                    | 1,446                  | <b>1,373</b>                         | 1,422                       |
| Taxation and social security costs    | <b>183</b>                      | 51                     | <b>130</b>                           | 19                          |
| Fees received in advance and deposits | <b>10,792</b>                   | 9,559                  | <b>10,792</b>                        | 9,559                       |
| Other creditors                       | <b>318</b>                      | 201                    | <b>260</b>                           | 151                         |
| Accruals                              | <b>284</b>                      | 207                    | <b>276</b>                           | 189                         |
| Amounts payable under finance leases  | <b>35</b>                       | 43                     | <b>35</b>                            | 43                          |
| Amount due to group undertaking       | -                               | -                      | -                                    | 24                          |
|                                       | <b>13,844</b>                   | 13,059                 | <b>13,670</b>                        | 12,959                      |

Deferred income:

|                  | <b>2022<br/>£000s</b> | 2021<br>£000s |
|------------------|-----------------------|---------------|
| Brought forwards | <b>9,559</b>          | 6,598         |
| Released in year | <b>(9,559)</b>        | (6,598)       |
| Received in year | <b>10,792</b>         | 9,559         |
| Carried forwards | <b>10,792</b>         | 9,559         |

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

### 18 CREDITORS DUE AFTER ONE YEAR

|   | <b>2022<br/>Foundation<br/>&amp; Group<br/>£000s</b> | 2021<br>Foundation<br>& Group<br>£000s |
|---|--|--|
| Amounts falling due after more than one year: |  |  |
| Bank loan                                     | <b>8,414</b>   | 13,021                                 |
| Amounts payable under finance leases          | <b>41</b>  | 72                                     |
| School fee deposits                           | <b>4,506</b>   | 3,969                                  |
| Fees in advance                               | <b>599</b>   | 717                                    |
|   | <b>13,560</b>  | 17,779                                 |

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

|                                  | 2022<br>£000s | 2021<br>£000s |
|----------------------------------|---------------|---------------|
| Movement on loans                |               |               |
| In one year or less              | 805           | 1,553         |
| Between one and two years        | 786           | 1,812         |
| Between two and five years       | 4,085         | 7,272         |
| After five years                 | 2,542         | 3,936         |
|                                  | <b>8,218</b>  | <b>14,573</b> |
| Movement on school fee deposits: |               |               |
| In one year or less              | 2,535         | 2,080         |
| Between one and two years        | 1,048         | 1,090         |
| Between two and five years       | 1,786         | 1,493         |
| After five years                 | 1,672         | 1,386         |
|                                  | <b>7,041</b>  | <b>6,049</b>  |
| Movement on fees in advance:     |               |               |
| In one year or less              | 8,257         | 7,479         |
| Between one and two years        | 436           | 424           |
| Between two and five years       | 163           | 293           |
| After five years                 | -             | -             |
|                                  | <b>8,856</b>  | <b>8,196</b>  |
| Movement on finance leases:      |               |               |
| In one year or less              | 35            | 63            |
| Between one and two years        | 41            | 41            |
| Between two and five years       | -             | -             |
|                                  | <b>76</b>     | <b>104</b>    |

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 £50k, £149k and £34k (2021: £99k, £113k and £nil) and the balances outstanding at the balance sheet date were £1.4m, £4.4m and £nil respectively.

The Foundation has two loan facilities with Alicia Bank who bought the loan book from 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 £36k and £97k (2021: £55k and £75k) 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 2022

### 19 FINANCIAL INSTRUMENTS

|   | 2022<br>Group<br>£000s | 2021<br>Group<br>£000s | 2022<br>Foundation<br>£000s | 2021<br>Foundation<br>£000s |
|---|------------------------|------------------------|-----------------------------|-----------------------------|
| Financial assets measured at fair value through profit and loss | 3,120                  | 3,197                  | 194                         | 194                         |
| <b>Carrying amount of financial assets</b>                      |                        |                        |                             |                             |
| Debt instruments at amortised cost                              | 435                    | 360                    | 189                         | 255                         |
| <b>Carrying amount of financial liabilities</b>                 |                        |                        |                             |                             |
| Measured at amortised cost                                      | 17,365                 | 22,580                 | 17,244                      | 22,488                      |

### 20 STATEMENT OF FUNDS

|  | At 1<br>September<br>2021<br>£000s | Income<br>£000s | Expenditure<br>£000s | Transfer<br>Between<br>Funds<br>£000s | Gains/<br>(losses)<br>£000s | At 31 August<br>2022<br>£000s |
|--|------------------------------------|-----------------|----------------------|---------------------------------------|-----------------------------|-------------------------------|
| Unrestricted funds:                          |                                    |                 |                      |                                       |                             |                               |
| General reserve                              | 32,700                             | 45,549          | (44,747)             | 62                                    | -                           | 33,564                        |
| Designated Fund                              | 1,996                              | -               | -                    | -                                     | -                           | 1,996                         |
| Designated fund (donations<br>& fundraising) | 100                                | 4               | -                    | 9                                     | -                           | 113                           |
|  | 34,796                             | 45,553          | (44,747)             | 71                                    | -                           | 35,673                        |
| Restricted funds:                            |                                    |                 |                      |                                       |                             |                               |
| Other Restricted Funds                       | 581                                | 227             | (76)                 | (40)                                  | -                           | 692                           |
| ABC Bursaries                                | 348                                | 240             | (227)                | -                                     | -                           | 361                           |
| Cobham Hall School                           | 10,650                             | -               | -                    | -                                     | -                           | 10,650                        |
| Lyonsdown School                             | -                                  | 3,417           | -                    | (417)                                 | -                           | 3,000                         |
| Keble School                                 | -                                  | 4,364           | -                    | 386                                   | -                           | 4,750                         |
| Total restricted                             | 11,579                             | 8,248           | (303)                | (71)                                  | -                           | 19,453                        |
| Endowment fund                               | 3,012                              | -               | -                    | -                                     | (77)                        | 2,935                         |
| Total funds                                  | 49,387                             | 53,801          | (45,050)             | -                                     | (77)                        | 58,061                        |

|  | At 1<br>September<br>2020<br>£000s | Income<br>£000s | Expenditure<br>£000s | Transfer<br>Between<br>Funds<br>£000s | Gains/<br>(losses)<br>£000s | At 31 August<br>2021<br>£000s |
|--|------------------------------------|-----------------|----------------------|---------------------------------------|-----------------------------|-------------------------------|
| Unrestricted funds:                          |                                    |                 |                      |                                       |                             |                               |
| General reserve                              | 33,556                             | 37,714          | (36,504)             | (2,066)                               | -                           | 32,700                        |
| Designated fund - general                    | 1,996                              | -               | -                    | -                                     | -                           | 1,996                         |
| Designated fund (donations<br>& fundraising) | 107                                | 12              | (19)                 | -                                     | -                           | 100                           |
|  | 35,659                             | 37,726          | (36,523)             | (2,066)                               | -                           | 34,796                        |
| Restricted funds:                            |                                    |                 |                      |                                       |                             |                               |
| Restricted Other Funds                       | 235                                | 674             | (136)                | (192)                                 | -                           | 581                           |
| ABC Bursaries                                | 214                                | 119             | (177)                | 192                                   | -                           | 348                           |
| Cobham Hall School                           | -                                  | 8,584           | -                    | 2,066                                 | -                           | 10,650                        |
| ABC Bursaries                                | -                                  | -               | -                    | -                                     | -                           | -                             |
| Total restricted                             | 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                        |

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 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.

Cobham Hall School: The Foundation acquired Cobham Hall School in 2021, 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.

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

Keble School: During the year the Foundation acquired Keble 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 £7,700k. The General reserve £33,283 value at August 2022, £43,034 relates to The Foundation (2021: £43,034k) and £497k relates to Mill Hill School Enterprises (2021: £146k).

The transfer of funds represent the completion of specific projects.

## 21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                       | Unrestricted<br>funds<br>£000s | Restricted<br>funds<br>£000s | Endowment<br>fund<br>£000s | 2022<br>Total<br>£000s |
|-----------------------|--------------------------------|------------------------------|----------------------------|------------------------|
| Tangible fixed assets | 54,761                         | 18,400                       | -                          | 73,161                 |
| Investments           | 185                            | -                            | 2,935                      | 3,120                  |
| Current assets        | 8,210                          | 1,053                        | -                          | 9,263                  |
| Current liabilities   | (13,843)                       | -                            | -                          | (13,843)               |
| Long term liabilities | (13,640)                       | -                            | -                          | (13,640)               |
| Total net assets      | 35,673                         | 19,453                       | 2,935                      | 58,061                 |
|                       | Unrestricted<br>funds<br>£000s | Restricted<br>funds<br>£000s | Endowment<br>fund<br>£000s | 2021<br>Total<br>£000s |
| Tangible fixed assets | 52,885                         | 10,650                       | -                          | 63,535                 |
| Investments           | 185                            | -                            | 3,012                      | 3,197                  |
| Current assets        | 12,675                         | 929                          | -                          | 13,604                 |
| Current liabilities   | (13,059)                       | -                            | -                          | (13,059)               |
| Long term liabilities | (17,889)                       | -                            | -                          | (17,889)               |
| Total net assets      | 34,796                         | 11,579                       | 3,012                      | 49,387                 |

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 22 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2022, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                                | 2022<br>Plant &<br>Machinery<br>£000s | 2022<br>Other<br>£000s | 2021<br>Plant &<br>Machinery<br>£000s | 2021<br>Other<br>£000s |
|--------------------------------|---------------------------------------|------------------------|---------------------------------------|------------------------|
| Due within one year            | 166                                   | 81,700                 | 272                                   | 89                     |
| Due between one to two years   | 72                                    | 46,267                 | 158                                   | 56                     |
| Due between two to five years  | 53                                    | 68,434                 | 83                                    | 58                     |
| Due after more than five years | -                                     | -                      | -                                     | 6                      |
|                                | <u>291</u>                            | <u>196,401</u>         | <u>513</u>                            | <u>209</u>             |

### 23 RELATED PARTIES

During the year, The Mill Hill School Foundation incurred recruitment costs of £nil (2021: £540) 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 £3k (2021: £15k). 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 Ousey Scholarship Trust  
Sir Richard Winfrey Memorial Scholarship

The combined results for the above Trust Funds for the period ended 31 August 2022 are:

|                                   | 2022<br>£000s | 2021<br>£000s |
|-----------------------------------|---------------|---------------|
| Net assets at At 1 September 2021 | 3,215         | 1,722         |
| Income                            | 102           | 50            |
| Exceptional income                | -             | 1,218         |
| Expenditure                       | (41)          | (51)          |
| Excess expenditure over income    | <u>61</u>     | <u>1,217</u>  |
| Purchase of investments           | -             | -             |
| Unrealised gains on investments   | (77)          | 276           |
| Net Assets at At 31 August 2022   | <u>3,199</u>  | <u>3,215</u>  |

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 2022 for pupils in the school was £41k (2021: £51k).

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

In the prior 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 are:

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



# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 25 CONTROLLED ENTITY

Mill Hill School Enterprises is a company limited by guarantee and is controlled by The Mill Hill School 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 2022 and the year ending 31 August 2021 are detailed as follows:

|  | 2022<br>£000s | 2021<br>£000s |
|--|---------------|---------------|
| Income                                       | 874           | 326           |
| Expenditure                                  | (396)         | (229)         |
| Rent paid to The Mill Hill School Foundation | -             | -             |
| Excess of income over expenditure*           | 478           | 97            |
| Assets                                       | 652           | 233           |
| Liabilities                                  | (173)         | (87)          |
| Net assets at year end                       | 479           | 146           |

\*an annual rental of £50k (2021: £nil), salary and pension £181k (2021: £176k), heat and light £2k (2021: £4k), repairs & maintenance £4k (2021: £nil), telephone £nil (2021: £1k) was paid to The Foundation. The year-end surplus (excess of income over expenditure) of Mill Hill School Enterprises for 2022 is £478k (2021: £97k). 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 are detailed as follows:

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

Effective from 1 November 2021 Cobham Hall Enterprises activity is operated from Mill Hill Enterprises Limited

### 26 CAPITAL COMMITMENTS

Capital expenditure authorised and contracted at 31 August 2022 totalled £nil (2021: £213k). 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 2022

### 27 NOTES TO THE CASHFLOW STATEMENT

|   | 2022<br>£<br>£000s | 2021<br>£<br>£000s |
|---|--------------------|--------------------|
| Reconciliation of operating result to net cash inflow from operating activities |                    |                    |
| Net movement in funds   | 8,674              | 11,711             |
| Gains on investments  | 77                 | (365)              |
| Depreciation  | 2,069              | 1,238              |
| Investment income   | (17)               | (10)               |
| Dividends received  | (103)              | (50)               |
| Loan interest   | 353                | 361                |
| Increase/(decrease) in pension provision  | (30)               | (29)               |
| Profit/(Loss) on sale of Fixed Assets   | (6)                | (166)              |
| Increase/(Decrease) in creditors  | 1,934              | 4,002              |
| (Increase)/Decrease in debtors  | 161                | (281)              |
| Decrease/(Increase) in stocks   | (37)               | (17)               |
| Fair value of assets transferred in   | (8,425)            | (10,571)           |
| Gift of investment property   | -                  | (194)              |
| Trusts transfer   | -                  | (1,070)            |
|   | <b>4,650</b>       | <b>4,559</b>       |

### Analysis of changes in net debt

|                                  | At 1<br>September<br>2021<br>£000s | Cash flows<br>£000s | Other non-<br>cash<br>changes<br>£000s | At 31<br>August 2022<br>£000s |
|----------------------------------|------------------------------------|---------------------|--|-------------------------------|
| <b>Cash and cash equivalents</b> |                                    |                     |  |                               |
| Cash                             | 12,654                             | (4,210)             | -                                      | 8,444                         |
| Overdrafts                       | -                                  | -                   | -                                      | -                             |
| Cash Equivalents                 | -                                  | -                   | -                                      | -                             |
|                                  | <b>12,654</b>                      | <b>(4,210)</b>      | <b>-</b>                               | <b>8,444</b>                  |
| <b>Borrowings</b>                |                                    |                     |  |                               |
| Debt due within one year         | (1,552)                            | 854                 | (107)                                  | (805)                         |
| Debt due after one year          | (13,021)                           | 4,500               | 107                                    | (8,414)                       |
|                                  | <b>(14,573)</b>                    | <b>5,354</b>        | <b>-</b>                               | <b>(9,219)</b>                |
| <b>Total</b>                     | <b>(1,919)</b>                     | <b>1,144</b>        | <b>-</b>                               | <b>(775)</b>                  |

# The Mill Hill School Foundation

## ACCOUNTING POLICIES

for the year ended 31 August 2022

### 28 MERGERS

#### LYONSDOWN SCHOOL

On 31 March 2022 the Foundation merged with Lyonsdown School, an incorporated charity limited by guarantee incorporated in England and Wales, company number 01125436 and charity number 312591. The consideration was for £1. On that date Lyonsdown School transferred all of its trade and net assets to the Foundation. Lyonsdown School has been dormant since 1 April 2022.

|                               | Book Value<br>£ | Fair Value<br>£ |
|-------------------------------|-----------------|-----------------|
| Cash and cash equivalents     | 681             | 681             |
| Freehold buildings            | 1,332           | 3,000           |
| Property, plant and equipment | 488             | 488             |
| Current assets                | 27              | 27              |
| Current liabilities           | (779)           | (779)           |
| Net assets                    | 1,749           | 3,417           |

#### KEBLE PREPARATORY SCHOOL (1968) LIMITED

On 31 March 2022 the Foundation merged with Keble Preparatory School (1968) Limited "Keble School", an incorporated charity limited by guarantee incorporated in England and Wales, company number 00929816 and charity number 312979. The consideration was for £1. On that date Keble School transferred all of its trade and net assets to the Foundation. Keble School has been dormant since 1 April 2022.

|                               | Book Value<br>£ | Fair Value<br>£ |
|-------------------------------|-----------------|-----------------|
| Cash and cash equivalents     | 849             | 849             |
| Freehold buildings            | 2,719           | 4,750           |
| Property, plant and equipment | 188             | 188             |
| Current assets                | 83              | 83              |
| Current liabilities           | (1,506)         | (1,506)         |
| Net assets                    | 2,333           | 4,364           |

#### COBHAM HALL SCHOOL

On 4 March 2021 the Foundation merged with 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<br>£ | Fair Value<br>£ |
|-------------------------------|-----------------|-----------------|
| 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

|                           | £     |
|---------------------------|-------|
| 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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The Ridgeway  
Mill Hill Village  
London NW7 1QS

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