

COMPANY REGISTRATION NUMBER: 03015275  
CHARITY REGISTRATION NUMBER: 1072327

**The Hampstead School of Art  
Company Limited by Guarantee  
Unaudited Financial Statements  
31 August 2024**



**BRIAN PAUL LIMITED**

Chartered accountants  
159a Chase Side  
Enfield  
Middlesex  
EN2 0PW

# **The Hampstead School of Art**

**Company Limited by Guarantee**

**Financial Statements**

**Year ended 31 August 2024**

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	<b>Page</b>
Trustees' annual report (incorporating the director's report)	<b>1</b>
Independent examiner's report to the trustees	<b>7</b>
Statement of financial activities (including income and expenditure account)	<b>9</b>
Statement of financial position	<b>10</b>
Statement of cash flows	<b>12</b>
Notes to the financial statements	<b>13</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed statement of financial activities	<b>25</b>
Notes to the detailed statement of financial activities	<b>27</b>

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# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

#### **Year ended 31 August 2024**

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The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 August 2024.

#### **Reference and administrative details**

**Registered charity name**            The Hampstead School of Art

**Charity registration number**    1072327

**Company registration number** 03015275

**Principal office and registered office**    2 Penrose Gardens  
London  
NW3 7BF  
England

#### **The trustees**

Julia Simpson	(Chairperson)
Reginald Boorer	(Vice Chair)
Cynthia Barlow OBE	
Robert Goodall	(Treasurer)
Nicolette Aubury	
Wendy MacKinnon	(Resigned 1 December 2024)

**Company secretary**            Isabel Langtry

**Independent examiner**        Brian Paul Limited  
Chartered Accountants  
159a Chase Side  
Enfield  
Middlesex  
EN2 0PW

# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 August 2024**

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The Trustees present their annual report together with the audited financial statements of Hampstead School of Art for the year 1 September 2023 to 31 August 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

#### **Structure, governance and management**

##### **a. Constitution**

The company is registered as a company limited by guarantee, governed by its Memorandum and Articles of Association dated 27 January 1995, and is registered as a charity with the Charity Commission. The company, Hampstead School of Art (HSoA), operates as a traditional Fine Art and Applied Art community art education charity.

##### **b. Method of appointment or election of Trustees**

The management of the company is the responsibility of the Trustees who are appointed by the Trustees at the Annual General Meeting in accordance with the Articles of Association. There must be at least two Trustees and not more than twenty individuals all of whom must be members.

The trustees have no beneficial interest in the school other than as members. The Trustees are also the directors of the school and as members are guaranteed to contribute £1 each in the event of winding up.

##### **c. Organisational structure and decision-making policies**

HSoA is administered by the Board of Trustees. Subcommittees meet regularly and full board meetings are termly. Day to day management and running of the Art School is delegated to Isabel H Langtry, the Principal, appointed in 2011. The Principal makes decisions in accordance with Board policy and Hampstead School of Art Business Plan developed to meet the school strategic objectives set out by the Board of Trustees together with the Principal.

##### **d. Policies adopted for induction and training of Trustees**

Training on HSoA policies and procedures for new Trustees is provided, where necessary, by the existing Trustees, the Principal and the Executive Bursar.

##### **e. Staff and remuneration policy**

HSoA continues to operate with a relatively small number of dedicated and skilled core staff, augmented by a larger network of freelance tutors. HSoA is committed to paying staff fairly for the work that they do, whilst recognising that the charity operates with limited financial resources.

# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 August 2024**

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#### **Structure, governance and management *(continued)***

The remuneration and benefits of HSoA senior management team are decided by the Trustees, on the recommendation of the finance committee, taking account of market rates and achievements of performance objectives.

#### **f. Related Party**

None of the Trustees receive any remuneration or benefits for work on behalf of the school. Any contractual arrangements with Trustees need to be disclosed in the notes to the financial statements.

#### **Objectives and activities**

The lasting objective of the Charity is to offer public benefit through the provision of specialist learning in fine art and the applied arts.

#### **a. Objectives**

Community, inclusivity and self-expression drive our culture. Hampstead School of Art is committed to widening participation in inter-generational learning and wellness and giving people of all levels and abilities the confidence to find their own artistic voice.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

#### **b. Public benefit**

Hampstead School of Art (HSoA) encourages participation in and provides access to traditional Fine Art and Applied Art learning for everyone, at any age! The school is committed to widening participation in intergenerational learning and wellness and giving people of all levels and abilities the confidence to find their own artistic voice. HSoA also provides spaces where artists can work and grow and where local communities can access art and creativity.

HSoA's work achieves high levels of economic, social and cultural impact by providing extensive resources that promote the advancement of art education which includes:

- a. Out-reach art classes: for community members who are unable to access the art school buildings.
  - b. In-reach classes: for learners with complex difficulties or mobility challenges where appropriate.
  - c. Our open-door policy: anyone with an interest in art can access art making.
  - d. Supporting the homeless: HSoA offers aid via learning bursaries to people affected by homelessness.
  - e. Bursary programme: Financial support for Foundation Courses and the Sir Frank Bowling and Lady Rachel Scott Bowling Bursaries and, the Mara Trust Printmaking Bursary which are awarded annually.
  - f. A comprehensive programme of support for the local community is well established and includes many activities for the public, businesses and other small charities. These include a range of annual activities such as openly available workshops at local festivals, art fairs and community events, HSoA Exhibitions, the Hampstead Summer Festival and Art Fair Day which includes two annual local children's art competitions publicly displayed at the festivals and The Art Street Canvas Mural Festival.
  - g. Free lectures and exhibitions are available to the local community.
  - h. Cultural spaces such as the HSoA Artist in Residence Programme
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# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 August 2024**

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#### **Objectives and activities (continued)**

##### **c. Activities undertaken to achieve objectives**

HSoA offers a comprehensive programme of termly day and evening classes, full time courses, workshops and exhibitions for students, visitors and the local community as well as a programme of free lectures and events.

##### **d. Unleashing the artist in everyone**

HSoA's success is based on our commitment to provide a wide range of fine art skills taught by practicing artists delivering specialist teaching in order to help develop individual abilities. Accessibility to all with an interest in art and applied art.

Our goal is to ensuring that the art school:

- Provides a high standard of art learning from Family Classes to full time pre University and post University courses.
- Offers bursaries irrespective of age, background or ability.
- Delivers first-rate and comprehensive range of fine art and applied art skills such as: drawing, painting, sculpture, printmaking, installation, digital art, film, performance and lens-based works, studio ceramics, mosaics, textiles, jewellery, brush and silk painting, portfolio building, pre-foundation, foundation diploma courses art exam support and advanced courses in fine art.

#### **Achievements and performance**

##### **a. Main achievements of the Company**

**Growth:** Since moving into the new premises, the number of students attending the school have grown significantly. The learning offer has expanded to meet the growing demand for a range of subjects and workshops for school children and families with pre-school children. There are approximately 2,500 learning places subscribed to yearly offered by the Art School.

**Inclusivity:** HSoA's open-door policy endeavours to provide access to fine art and applied art learning for everyone. In-reach and outreach courses have been at the core of many successes in personal development by helping students reach their next step in higher education or lifelong learning. This has been achieved across a diverse student population irrespective of age, background, ability or experience.

**Academic excellence:** As HSoA's reputation grows our successes continue. We are proud that 100% of our Foundation students applying to university degrees achieve their goal, some remain to study HSoA's Advanced Course. Our teaching-artists exhibit around the world and receive accolades on a regular basis. International reputation and partnerships: HSoA

**International reputation and partnerships:** HSoA's International reputation and partnerships are growing as the Principal Isabel H Langtry leads the path in collaborating with international projects, appointing patrons and as the creative lead realises the making of internationally requested public sculptures, collaborates with scientists and artists in environmental and creative projects and publishes these results through HSoA publishing. Connections in Chile, China, Italy, Spain, Singapore, Bermuda, Indonesia, Istria, Saudi Arabia, Sharjah, Sweden, Holland, Austria and Australia, have been forged resulting in 6 highly acclaimed Patrons, Alan Gouk, Sir Frank Bowling, Francisco Gazitua MRSS, Dolorosa Sinaga, Lady Rachel Scott Bowling and Angela Leible whose contributions to our art school learning is invaluable. The Principal lectures, judges and awards internationally, often invited to talk about the art schools aims and objectives.

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# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 August 2024**

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#### **b. Financial review**

The preferred business model of Hampstead School of Art is to achieve independent financial viability by generating most of its income from tuition fees for traditional and contemporary Fine Art and Applied Art learning, Foundation and Advanced Courses. Although fundraising is conducted by the school, it is not dependent on grants or other external funding to maintain its day-to-day activities. Robust operational and financial policies, including generation and maintenance of significant cash reserves helps us to fulfil our goal of achieving long-term sustainability and financial security.

HSoA continues to invest in capital projects such as premises and IT upgrades to meet the demands of the expanding curriculum and the growth in student numbers. Investment in a high calibre management team and specialist tutors in an ever-expanding and exciting programme of classes supports this objective.

The results for the year show a surplus of £24,522 (2023: £308,450) after depreciation charge of £49,280 (2023: £52,219). This surplus in the previous financial year was mainly attributable to a one-off donation received in the year of £250,000 together with prudent financial management. The balance sheet shows net current assets of £293,307 (2023: £256,604). The net book value of tangible fixed assets held amounted to £1,396,664 (2023: £1,441,916)

#### **c. Investment policy and performance**

The Art School is currently building up its reserves and all funds are used operationally. Our investment policy is to ensure funds that the Art School does not immediately need to cover anticipated expenditure, these are invested to maximise the Art Schools income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk.

#### **d. Reserves policy**

HSoA's reserves policy is based on continued operations of its activities and have identified to maintain free reserves equivalent to at least 6 months running cost to enable HSoA to meet its obligation in the shorter term and to cover any unforeseen deficits or revenue shortfalls.

Total funds at the balance sheet date were £1,158,628 (2023: £1,134,106) of which £367,385 (2023: £374,565) were restricted. Details of restricted funds are provided in note 20.

#### **e. Financial risk management objectives and policies**

The Trustees have assessed the major risks to which HSoA is exposed, in particular those relating to the operations and finances and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

#### **f. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 August 2024**

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#### **Plans for the future**

Our goal to create a thriving art school underpinned by a permanent home has been realised. This has allowed HSoA to continue developing its robust financial growth, stimulate new initiatives, contribute to positive life change and continuing learning.

Social engagement: A key focus of the art school will be growth of HSoA's social engagement programme developed to inspire new and existing audiences to participate with art via studio, virtual and external engagement.

Bursary programme expansion: Expanding our internal scholarship/bursaries and community projects programmes for those with greater social or educational needs that would otherwise not be met is also a key objective.

Unleashing the Artist in Everyone: To provide additional programme and bursaries for a greater number of students and continue to 'Unleash the Artist in Everyone' by creating opportunities for any person, of any age, who comes to the school wishing to develop their creative abilities and understanding.

School Expansion: We aim to continue securing further premises in which to encourage artists/learners to create work that is accessible for the local community, create new performative spaces and further enrich the learning of our students.

International partnerships and reputation building: Our aim is to build on the success to date by deepening new connections and building new and exciting opportunities nationally and internationally.

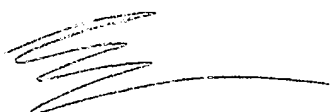
Outreach: We aim to rebuild pre COVID partnerships which have been available for local community groups to undertake art classes.

Financial Security: In view of the current economic climate re cost-of-living crisis, HSoA will look at generating more funds to support students and to protect the financial security of the school.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 1<sup>st</sup> May 2025 and signed on behalf of the board of trustees by:



**Julia Simpson**  
Trustee



# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Independent Examiner's Report to the Trustees of The Hampstead School of Art**

**Year ended 31 August 2024**

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I report to the trustees on my examination of the financial statements of The Hampstead School of Art ('the charity') for the year ended 31 August 2024.

#### **Responsibilities and basis of report**

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

# **The Hampstead School of Art**

**Company Limited by Guarantee**

## **Independent Examiner's Report to the Trustees of The Hampstead School of Art** *(continued)*

**Year ended 31 August 2024**

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I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**Parvez Dalal ACA, FCCA  
Independent Examiner**

**For and on behalf of  
Brian Paul limited  
159a Chase Side  
Enfield  
Middlesex  
EN2 0PW**

**27-05-2025**

# The Hampstead School of Art

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2024

			2024		2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	32,762	8,000	40,762	283,474
Charitable activities	6	829,480	–	829,480	908,000
Other trading activities	7	94,035	–	94,035	91,756
Investment income	8	18,466	–	18,466	1,641
<b>Total income</b>		<u>974,743</u>	<u>8,000</u>	<u>982,743</u>	<u>1,284,871</u>
<b>Expenditure</b>					
Expenditure on charitable activities	9,10	947,144	11,077	958,221	976,421
<b>Total expenditure</b>		<u>947,144</u>	<u>11,077</u>	<u>958,221</u>	<u>976,421</u>
<b>Net income and net movement in funds</b>		<u>27,599</u>	<u>(3,077)</u>	<u>24,522</u>	<u>308,450</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		763,644	370,462	1,134,106	825,656
<b>Total funds carried forward</b>		<u>791,243</u>	<u>367,385</u>	<u>1,158,628</u>	<u>1,134,106</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 13 to 23 form part of these financial statements.

# The Hampstead School of Art

## Company Limited by Guarantee

### Statement of Financial Position

31 August 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible fixed assets	16	1,396,664	1,441,917
<b>Current assets</b>			
Debtors	17	49,349	17,430
Cash at bank and in hand		656,819	618,864
		706,168	636,294
<b>Creditors: amounts falling due within one year</b>	18	412,861	379,690
<b>Net current assets</b>		293,307	256,604
<b>Total assets less current liabilities</b>		1,689,971	1,698,521
<b>Creditors: amounts falling due after more than one year</b>	19	531,343	564,415
<b>Net assets</b>		1,158,628	1,134,106
<b>Funds of the charity</b>			
Restricted funds		367,385	370,462
Unrestricted funds		791,243	763,644
<b>Total charity funds</b>	20	1,158,628	1,134,106

For the year ending 31 August 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

#### Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position  
continues on the following page.

The notes on pages 13 to 23 form part of these financial statements.

# **The Hampstead School of Art**

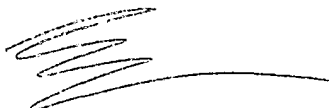
**Company Limited by Guarantee**

**Statement of Financial Position** *(continued)*

**31 August 2024**

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These financial statements were approved by the board of trustees and authorised for issue on 1<sup>st</sup> May 2025, and are signed on behalf of the board by:



**Julia Simpson**  
**Trustee**

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The notes on pages 13 to 23 form part of these financial statements.

# The Hampstead School of Art

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 August 2024

	2024 £	2023 £
<b>Cash flows from operating activities</b>		
Net income	24,522	308,450
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	49,280	52,219
Other interest receivable and similar income	(18,466)	(1,641)
Interest payable and similar charges	20,812	21,874
Accrued expenses/(income)	54,236	(47,031)
<i>Changes in:</i>		
Trade and other debtors	(31,919)	59,461
Trade and other creditors	(21,065)	15,754
Cash generated from operations	77,400	409,086
Interest paid	(20,812)	(21,874)
Interest received	18,466	1,641
Net cash from operating activities	<u>75,054</u>	<u>388,853</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(4,027)	(6,814)
Net cash used in investing activities	<u>(4,027)</u>	<u>(6,814)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(33,072)	(32,011)
Net cash used in financing activities	<u>(33,072)</u>	<u>(32,011)</u>
<b>Net increase in cash and cash equivalents</b>	37,955	350,028
<b>Cash and cash equivalents at beginning of year</b>	<u>618,864</u>	<u>268,836</u>
<b>Cash and cash equivalents at end of year</b>	<u>656,819</u>	<u>618,864</u>

The notes on pages 13 to 23 form part of these financial statements.

# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 August 2024**

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#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 2 Penrose Gardens, London, NW3 7BF, England.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', 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 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

The Hampstead School of Arts meet the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling rounded to the nearest pound, which is the functional currency of the entity.

##### **Going concern**

The school meets its day to day working capital requirements through the utilisation of its own funds and a bank loan relating to the acquisition of the freehold. The school incurred a surplus in the year of £24,522 (2023: £308,450) and as at the balance sheet date had a bank balance of £656,819 and the net current assets £293,307.

##### **Judgements and key sources of estimation uncertainty**

The Company makes estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **Critical accounting estimates and assumptions:**

Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

#### **Year ended 31 August 2024**

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#### **3. Accounting policies** *(continued)*

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

##### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Student fees represent tuition and other fees due and are accounted for on an accruals basis.
- Deferred income represents students fees received in relation to tuition provided in the following year.
- Bank interest and other income is accounted for on an accruals basis.
- Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.
- Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.



# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

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#### 3. Accounting policies *(continued)*

##### **Resources expended**

Expenditure is recognised on once there is a legal or constructive obligation to transfer economic benefit to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

##### **Tangible assets**

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	- 2% straight line
Furniture, Fixture & Equipment	- 25% reducing balance

# **The Hampstead School of Art**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

#### **Year ended 31 August 2024**

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#### **3. Accounting policies** *(continued)*

##### **Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

##### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

##### **Operating leases**

Rental paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

##### **Pension**

The company operates a defined contribution pension scheme, and the pension charge represents the amount payable by the Company to the fund in respect of the year.

# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

#### 4. Limited by guarantee

The company is registered as a company limited by guarantee, governed by its Memorandum and Articles of Association dated 27 January 1995, and is registered as a charity with the Charity Commission. The company, Hampstead School of Art (HSoA), operates as a traditional Fine Art and Applied Art community education charity.

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
<b>Donations</b>			
Donations and legacies	32,762	–	32,762
<b>Grants</b>			
Grants receivable	–	8,000	8,000
	<u>32,762</u>	<u>8,000</u>	<u>40,762</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Donations and legacies	283,474	–	283,474
<b>Grants</b>			
Grants receivable	–	–	–
	<u>283,474</u>	<u>–</u>	<u>283,474</u>

#### 6. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Tuition fees and other income	<u>829,480</u>	<u>829,480</u>	<u>908,000</u>	<u>908,000</u>

# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

#### 7. Other trading activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Cafe income	43,095	43,095	42,549	42,549
Gallery exhibition income	20,502	20,502	15,438	15,438
Miscellaneous sales	30,438	30,438	33,769	33,769
	<u>94,035</u>	<u>94,035</u>	<u>91,756</u>	<u>91,756</u>

#### 8. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Bank interest	18,466	18,466	1,641	1,641

#### 9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Direct costs	347,399	8,000	355,399
Café costs	45,051	—	45,051
Exhibition costs	18,006	—	18,006
Support costs	536,688	3,077	539,765
	<u>947,144</u>	<u>11,077</u>	<u>958,221</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Direct costs	368,902	—	368,902
Café costs	41,728	—	41,728
Exhibition costs	20,082	—	20,082
Support costs	541,606	4,103	545,709
	<u>972,318</u>	<u>4,103</u>	<u>976,421</u>

# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

#### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2024	Total fund 2023
	£	£	£	£
Direct costs	355,399	–	355,399	368,902
Café costs	45,049	–	45,049	41,728
Exhibition costs	18,006	–	18,006	20,082
Support costs	–	539,767	539,767	545,709
	<u>418,454</u>	<u>539,767</u>	<u>958,221</u>	<u>976,421</u>

The detail charitable expenses by activity is shown on page 25 and 26 of the financial statements.

#### 11. Net income

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of tangible fixed assets	<u>49,280</u>	<u>52,219</u>

#### 12. Auditors remuneration

	2024	2023
	£	£
Fees payable for the audit of the financial statements	<u>–</u>	<u>4,800</u>

#### 13. Independent examination fees

	2024	2023
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,400</u>	<u>–</u>

#### 14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	549,681	565,539
Social security costs	31,252	31,524
Defined pension contributions	7,064	9,428
	<u>587,996</u>	<u>606,491</u>

The average head count of employees during the year was 30 (2023: 26). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Number of staff	<u>30</u>	<u>26</u>

# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 August 2024

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#### 14. Staff costs *(continued)*

The number of employees whose remuneration for the year fell within the following bands, were:

	2024 No.	2023 No.
£60,000 to £69,999	1	1
£80,000 to £89,999	1	1
	<u>2</u>	<u>2</u>

#### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £196,782 (2023:£196,684).

#### 15. Trustee remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £nil).

During the year ended 31st August 2024, no Trustee expenses have been incurred (2023 - £nil).

#### 16. Tangible fixed assets

	Long leasehold property £	Equipment £	Total £
<b>Cost</b>			
At 1 September 2023	1,523,661	287,996	1,811,657
Additions	—	4,027	4,027
<b>At 31 August 2024</b>	<u>1,523,661</u>	<u>292,023</u>	<u>1,815,684</u>
<b>Depreciation</b>			
At 1 September 2023	190,964	178,776	369,740
Charge for the year	30,967	18,313	49,280
<b>At 31 August 2024</b>	<u>221,931</u>	<u>197,089</u>	<u>419,020</u>
<b>Carrying amount</b>			
<b>At 31 August 2024</b>	<u>1,301,730</u>	<u>94,934</u>	<u>1,396,664</u>
At 31 August 2023	<u>1,332,697</u>	<u>109,220</u>	<u>1,441,917</u>

# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 August 2024

#### 17. Debtors

	2024	2023
	£	£
Trade debtors	42,956	9,221
Prepayments and accrued income	3,110	2,252
Other debtors	3,283	5,957
	<u>49,349</u>	<u>17,430</u>

#### 18. Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans and overdrafts	53,884	53,884
Trade creditors	5,698	23,284
Accruals and deferred income	337,134	282,898
Social security and other taxes	8,815	12,184
Other creditors	7,330	7,440
	<u>412,861</u>	<u>379,690</u>

#### 19. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Bank loans	<u>531,343</u>	<u>564,415</u>

The loan from HSBC to assist in funding the purchase of the 999 year lease, is repayable over 20 years completing in 2038. Interest is to be charged at approximately 4% per annum for the duration of the loan.

The bank loan is secured by a fixed and floating charged over all of the company's assets.

#### 20. Analysis of charitable funds

##### Unrestricted funds

	At 1 September 2023 £	Income £	Expenditure £	At 31 August 2024 £
General funds	<u>763,644</u>	<u>974,743</u>	<u>(947,144)</u>	<u>791,243</u>

	At 1 September 2022 £	Income £	Expenditure £	At 31 August 2023 £
General funds	<u>451,091</u>	<u>1,284,871</u>	<u>(972,318)</u>	<u>763,644</u>

# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 August 2024

#### 20. Analysis of charitable funds *(continued)*

##### Restricted funds

	At 1 September 2023 £	Income £	Expenditure £	At 31 August 2024 £
Restricted Fund	358,154	–	–	358,154
London Borough of Camden	12,308	8,000	(11,077)	9,231
	<u>370,462</u>	<u>8,000</u>	<u>(11,077)</u>	<u>371,488</u>

	At 1 September 2022 £	Income £	Expenditure £	At 31 August 2023 £
Restricted Fund	358,154	–	–	358,154
London Borough of Camden	16,411	–	(4,103)	12,308
	<u>374,565</u>	<u>–</u>	<u>(4,103)</u>	<u>370,462</u>

#### 21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	1,029,279	367,385	1,396,664
Current assets	706,168	–	706,168
Creditors less than 1 year	(358,977)	–	(358,977)
Creditors greater than 1 year	(585,227)	–	(585,227)
<b>Net assets</b>	<u>791,243</u>	<u>367,385</u>	<u>1,158,628</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	1,071,455	370,462	1,441,917
Current assets	636,294	–	636,294
Creditors less than 1 year	(379,690)	–	(379,690)
Creditors greater than 1 year	(564,415)	–	(564,415)
<b>Net assets</b>	<u>763,644</u>	<u>370,462</u>	<u>1,134,106</u>



# The Hampstead School of Art

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 August 2024

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#### 22. Analysis of changes in net debt

	At 1 Sep 2023	Cash flows	At 31 Aug 2024
	£	£	£
Cash at bank and in hand	618,864	37,955	656,819
Debt due within one year	(53,884)	—	(53,884)
Debt due after one year	(564,415)	33,072	(531,343)
	<u>565</u>	<u>71,027</u>	<u>71,592</u>

#### 23. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independent administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £7,064 (2023: £9,428). Contributions totalling £2,029 (2023: £2,139) were payable to the fund at the balance sheet date and are included in creditors.

#### 24. Operating commitments

At 31 August 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	34,532	35,596
Later than 1 year and not later than 5 years	73,893	96,425
Later than 5 years	4,000	16,000
	<u>112,425</u>	<u>148,020</u>

#### 25. Related party transactions

At the balance sheet date, the charity owed £nil (2023: £1,176) to a former trustee. This loan is interest free and repayable on demand.