

Registered number: 00537118
Charity number: 312720

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 August 2020

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the School, its Trustees and advisers	1 - 2
Trustees' report	3 - 15
Trustees' responsibilities statement	16
Independent auditors' report on the financial statements	17 - 20
Statement of financial activities	21
Balance sheet	22 - 23
Statement of cash flows	24
Notes to the financial statements	25 - 47

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

**Reference and administrative details of the School, its Trustees and advisers
for the year ended 31 August 2020**

Trustees	Mrs E Brettle, Chair Mr M Feldman Miss C Gay (resigned 23 September 2020) Mr E Grower Mr G Leung Mr D MacNeill Mrs T Marton (appointed 17 June 2020) Miss M Mendham Mr F Patel Dr A Wayne Mrs M Wayne
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Company registered number	00537118
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Charity registered number	312720
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Registered office	18 Kidderpore Gardens Hampstead London NW3 7SR
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Principal	Mr M Webster
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Bursar	Mrs S Beschizza
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Clerk to the Governors	Ms L A Scorgie
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Website	www.st-margarets.co.uk
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Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX
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Bankers	CAF Bank Limited 25 Kings Hill Avenue, Kings Hill West Mailing Kent ME19 4JQ
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St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Reference and administrative details of the School, its Trustees and advisers (continued)
for the year ended 31 August 2020

Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
Investment Advisors	Canaccord Genuity Wealth Management 41 Lothbury London EC2R 7AE
Insurance Brokers	Marsh Brokers Limited Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2020

The Governors present their annual report and audited financial statements of St Margarets School (Hampstead) Limited ("the School") for the year ended 31 August 2020. The Governors confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the School'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 (FRS 102) (effective 1 January 2019).

Since the School 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.

AIMS, OBJECTIVES AND ACTIVITIES

a. Our aims

The principal object of the company, as authorised by its Memorandum and Articles of Association, is to carry on at 18 Kidderpore Gardens, Hampstead, London NW3, a school for the general education of girls.

We aim, through our Junior and Senior Schools, to provide a secure, caring and challenging learning environment in which girls are encouraged to strive for excellence in all that they do. Respect for others lies at the heart of the school community, within which the potential and talent of each individual can be recognised, nurtured and realised. At St Margaret's, education is seen as a partnership between pupils, parents and teachers. Specifically, our aims are to:

- encourage and enable each girl to develop a love of learning by providing a supportive environment in which success is measured based on personal progress;
- enable each girl to meet intellectual, creative and physical challenges with confidence;
- support the spiritual and moral development of each girl through maintaining high standards of personal responsibility and an awareness of their contribution to the wider world;
- foster an active concern for the community and the environment through awareness and providing opportunities for individual contribution;
- prepare each girl for the next stage of her education when she leaves St Margaret's through educational credentials and/or foundations and information and guidance about future options from 16 years old;
- ensure that education is seen as a partnership between pupils, parents and staff by promoting communication and collective responsibility for a girl's academic and personal education.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

AIMS, OBJECTIVES AND ACTIVITIES (continued)

b. Our objectives

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

This objective is, however, set in the context of the broader goals we set for the School and its pupils.

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)'.

Our key objectives for the year included:

- the continued achievement of excellent academic performance by each individual pupil as measured by GCSE results as compared with similarly loosely-selective schools. As in previous years, our Value Added scores for GCSE were high, demonstrating that the girls make better than predicted progress whilst at St Margaret's;
- the continued provision of an educational environment within which each individual pupil can thrive and develop intellectually, physically, socially and spiritually by maintaining high expectations amongst staff and pupils and making evident the spiritual values held important by the School;
- to endeavour to make an education at St Margaret's available to the greatest number of pupils to whom it would be of benefit by keeping school fees as reasonable as possible, maintaining only limited selection of pupils, and using the school's bursary policy to promote the admission of a greater number of pupils with parents on lower incomes;
- to develop our programme of co-operation and joint working with local state junior and secondary schools;
- to play our part in the life of our local community through our community access and service programmes.

ACHIEVEMENTS AND PERFORMANCE

a. Pupil numbers and fees

Our educational activities are carried out through our Senior School and our Junior School. The average number of pupils on roll during the academic year 2019/2020 was 170. This is, effectively, the maximum number which can be comfortably accommodated on school premises, and there is now a waiting list for places.

Our fees are set at the minimum level required to ensure that the School's costs, a high proportion of which relate to teachers' salaries, are covered. Fees during the academic year 2019/2020 before the deduction of any means assisted bursaries were:

Years R to 2	£4,491 per term
Years 3 – 6	£5,086 per term
Year 7 – 11	£5,203 per term

Curriculum

The curriculum remained the same as in previous years, though more PSHE was timetabled in the Senior School.

Academically it was a moderately successful year overall for our girls at GCSE level, with approximately 82% of grades being awarded a 7 or above (the equivalent of an A grade or above).

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Co-curricular activities:

Music

We held a Carol service in December 2019 with orchestra, choirs, handbells, ukulele group and nearly all of the girls from St. Margaret's involved in music.

In March 2020, just a few days before the lockdown, we had a pleasure of performing for Voice in a Million at the O2 Arena. It was a fantastic and fun learning experience and an opportunity of a lifetime for our choir to come together united in song and perform in front of their own family and friends in what has been billed as 'The most spectacular school concert'. It was enjoyed by pupils, teachers and parents and raised awareness of the plight of children in care and the importance of Adoption and Fostering.

Since March 2020 we have successfully moved to online learning using Google classrooms. Girls are able to record their own performances and upload them to their classrooms. We started using an online computer system – flat.io, which enables girls to work on their compositions from home.

We continued with the Apollo music project where professional musicians come and play for Y5 and 6 girls and introduce them to the beauty of classical music and different orchestral instruments. The musicians work closely with the children in interactive workshops including a wide range of live music and active participation. By giving children the chance to experience high-quality performances in the classroom and concert hall we aim to wake up their interest in classical music, build their knowledge, and their self-confidence in this area. We divided the workshops into two separate sessions, so that St. Luke's school, which we sponsor in this project, can enjoy their sessions in their own school, to keep with the government's advice of distancing.

We have kept singing in our classes and every week one Junior class prepares a song for our online Junior assembly. We also prepared Carols in our bubbles for a Carol service online.

We are very lucky with all of our peripatetic teachers who are very flexible and teach a mixture of online and face to face lessons. With their help we slowly moved towards online Tea-time concerts and our school orchestra is currently recording their first online piece.

Drama

Students from Years 5 to 11, were all taught Drama by our experienced subject specialist teacher.

The planned Year 6 production of Annie, unfortunately fell victim to school closure, resulting from the pandemic. Opportunities for theatre trips, were also limited, although all GCSE Drama students did have the chance to see the classic Steven Daldry production of, An Inspector Calls, as well as a new play, Unknown Rivers, at Hampstead Theatre. Senior girls in Theatre Club, also attended the West End production of Noises Off.

Students at KS3, all participated in a varied and evolving Drama curriculum, which successfully adapted to the challenges of remote teaching and learning.

Drama GCSE students in Year 11 achieved over 70% passes Grades 8 & 9 and 100% 6+ within the examination framework.

Shortly before lockdown, the Film Director, Sarah Gavron and lead actor, Bukky Bakray came to talk, to students in Years 10 & 11, about their new movie, Rocks, as well as women in the film industry.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Sport

The PE curriculum throughout various stages of the School has traditionally covered the following areas: - netball, gymnastics, dance, games, fitness, tennis, swimming, rounders, athletics, trampolining, volley ball, badminton, rowing, tag rugby, cross country, orienteering, football and hockey.

The broad curriculum makes use of a variety of facilities. Currently St Luke's Free School is used for indoor work such as gym, dance, fitness and indoor games for the lower Juniors and Infants. The whole school from Y1 upwards continues to use West Heath for both lessons and matches. Currently Y5&6 and the Senior School makes use of Hendon Sports Centre and for swimming the Junior girls are taken to Barnet Copthall.

From Year 4 onwards children take part in competitive team games through the inter-house and inter-school fixture programme. Relative to size the School netball teams have achieved commendable success in recent years playing approximately one fixture a week during the Autumn and Spring Terms (Currently no fixtures can take place). In the Summer Term rounders fixtures are played and the season culminates in a parent vs pupils' fixture. Both Junior and Senior girls enter local cross country events and some have joined the Highgate Harriers athletic club. Seniors also play competitive netball, rounders and some football matches against local schools, and against the staff.

Additionally, we offer a wide variety of sports clubs throughout the year. We have two tennis clubs, a Junior and Senior running club, ballet, netball clubs, street dance, yoga, jazz dance cheerleading and rounders clubs. There is an early morning netball shooting clinic and a football club that both take place before school. We have a cheerleading squad who perform at sporting events. Although due to lockdown this did not take place there is an annual Junior School Swimming Gala and whole school Sports Day at the end of the Summer Term. At the end of the Spring Term we have a Movement Display that includes every pupil from Reception-Y9.

During lockdown the PE curriculum was delivered remotely to all the girls R-Y11. They were set a variety of tasks through a 5 pronged Fitness programme and they were asked to complete a daily fitness diary. The activities ranged from daily Jo wicks workout, to specified games skills, some fun challenges, fitness activities, or their own initiated work and a variety of outdoor physical activity.

b. Details of bursary and scholarship awards

Bursaries

This year the value of means tested bursaries totaled £144,950 and represented 5.81% of our gross fees. They provided assistance to 11 of our pupils of which 7 pupils benefitted from a full remission of fees. A hardship fund is also available to help pupils in receipt of bursaries meet the costs of school trips, examination entrance fees and similar expenses.

Review

The Governors are constantly reviewing our Bursary policy to ensure that as many children as possible can accept offers of places at our School through the availability of means tested fee assistance. Our policy is designed to widen access to our School. We anticipate this will help inform the development of our policy and help ensure the objective of wider access continues to be achieved.

c. Community service

The girls have undertaken community work in the following ways:

- Multiple visits to the local Age Concern, serving afternoon tea and conversing with the residents
- Visits with donations to a local branch of the St Mungo's charity
- Visits with donations to an animal rescue shelter

The girls have performed at the Spring Grove retirement home and for St. Luke's School during their assemblies.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

d. Environmental Initiatives

The School has received Gold accreditation from TFL for numerous School Travel Plan initiatives to reduce "our carbon footprint". Initiatives have included encouraging walking to school with a pedometer challenge, assemblies and "Green" initiatives. All of these initiatives are working towards the goal of reducing car journeys.

The School also runs a recycling programme for its paper and waste.

e. Community access

We see St Margaret's School as a part of a wider community and where we can assist the community without detriment to advancing the education of our pupils we are delighted so to do.

Financial review

a. Our finances

The financial statements show net incoming resources for the year on School activities of £252,513 (2019: £33,529).

The principal source of income is fees, accounting for 97.2% of the School's income. The Governors are continuing their strategy of deploying all net incoming resources to invest in the educational purposes and fabric of our Junior and Senior Schools.

As a charity the parents of our pupils have the assurance that all the income of the School must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied for our charitable aims. As a Charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies and 'teaching link' programme.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary programme and our 'teaching links' programme create a social asset without cost to the Exchequer.

Teachers' Pension Scheme

Following consultation the School opted out of the Teachers' Pension Scheme in January 2020.

The Governors carefully considered their legal duties (as Directors and Charity Trustees) to ensure that the Charity remained financially stable to deliver its charitable objectives and also ensure financial viability and sustainability.

In addition, the Governors have a fiduciary duty to act in the best interests of the School and must consider whether paying 23.6% contributions to the pension scheme is an appropriate use of charitable funds when other alternatives are available.

The Board carefully considered remaining in the Teachers' Pension Scheme but felt that to ensure long term sustainability of the School it was necessary to withdraw from the scheme and offer an alternative; finally deciding on the APTIS (Aviva) scheme for the teaching staff pensions.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Financial review (continued)

Developments and Maintenance

The School has a planned programme of decoration / maintenance with every classroom being decorated every 3 years with all common areas decorated annually. In addition, the School has this year replaced its outside classrooms with a new building consisting of two new classrooms and a new state of the art Science Laboratory. This was funded by loan repayable over 20 years.

IT Strategy

To facilitate remote learning across all year groups we expanded the use of our Google Suite of online applications for use across the school.

Teaching Staff

While all teaching staff were familiar with using Google Drive, training was required on the use of Google Classroom, Google Meet and screen recording software. This was completed in a variety of ways and included documentation specific to our needs, a dedicated website with help videos to one to one phone calls and video chats as required.

Students

Y4 - Y11 already had school Google accounts but needed to be trained on the use of Google Classroom and Google Meet. This was relatively straight forward and was aided by the use of help videos and step by step guides.

Rec - Y3 were allocated new school Google accounts and their parents were sent their log in details along with documentation and support videos on how to access the set work and live sessions. While this initially involved a lot of time supporting and guiding parents, once they were confident little more intervention was required.

Hardware

Students who required a computer to work on at home were able to borrow one of the school Chromebooks. This enabled all students to access the set work and live sessions on their own dedicated computer. This was one of the major factors that enabled teachers to successfully engage with all pupils.

Moving Forward

Staff were surveyed about their experience of remote teaching and the devices that they were using. As a result, the School decided to purchase laptops for each teacher to make any further remote teaching easier and require less use of personal computers and equipment. This has been very popular with staff and has improved their ability to work both in school and at home.

We have purchased Chromebooks for students in the Junior School (Y3 - Y6) not only to enhance their in school learning but in the event of their class having to isolate, they will all have access to a suitable device at home to access lessons.

In the event of Rec - Y2 having to isolate at home a bank of Chromebooks are available to borrow for the duration of the isolation period.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Financial review (continued)

b. Reserves policy

The Governors regularly review the finances, budgets and spend against budget together with a monthly cash flow analysis as part of the effective stewardship of the School.

In common with other independent schools, the Governors have invested substantial sums into new School refurbishment in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The closing value of our tangible assets, property, plant and equipment was £6,232,304.

Total funds at the balance sheet date were £6,484,061 (2019: £1,967,774). Of these £44,906 (2019: £60,164) were held as restricted funds and £6,389,196 (2019: £1,486,534) as designated funds. Designated funds include £6,232,304 (2019: £1,329,642) of property, plant and equipment held as tangible fixed assets. The significant increase in the year reflects the additions during the year and the revaluation of the School's land and buildings. As shown in note 20 to the accounts, this leaves free reserves of £49,959 (2019: £421,076). Target reserves are 3-6 months of expenditure (excluding depreciation) and current levels are below this range. This illustrates the extent of the investment in our School, as is common practice by independent schools which have to finance their own capital investment plans.

The Governors recognise that the level of reserves fluctuates during periods of investment in the School estate and the arrangements at our Investment Company Cannacord Genuity Wealth Management are in place to provide an adequate 'safety net' should it be required.

c. Financial health and going concern

The Governors consider that the school is in good financial health given the strength of the charity's balance sheet, the stable cash flow from full student rolls, the ongoing popularity of our School, and the available banking facility that can be called upon if need arises.

After making appropriate enquiries, the Trustees have a reasonable expectation that the School 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.

d. Investment policy and performance

The 12 months to 31st August has been a challenging one, for reasons that are well known. Therefore, it pleasing to be able to report that the School's investment portfolio had a small gain of 0.67% (net of fees) over the year, ending the period with a value of £942,660.

This compares with a fall of 0.67% of the benchmark. Clearly, the key driver of the markets has been the global Covid-19 pandemic. The impact of a forced closure of much of the global economy during the first quarter of the calendar year had a traumatic effect on the market, and the portfolio fell 15.9%. Support from central banks and governments resulted in equally sharp recovery and the following quarter saw the portfolio bouncing 13.9%. With equity markets continuing to recover, the question is whether this can be continued into next year? Central banks will keep interest rates close to zero in developed markets, whilst the combination of both fiscal expenditure and quantitative easing will result in economies recovering and excess liquidity flowing towards risk markets. As long as bonds remain an unattractive investment, equities will perform well.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

OUR ETHOS STRATEGY AND POLICIES

St Margaret's is, by any manner of reckoning, a very small school, having not just small classes but only one class per year group from age 4 to age 16. This situation may have been arrived at by accident of history, but it is now embraced and celebrated by the Governors as a matter of positive policy. The close-knit community which our size engenders is integral to our academic and pastoral success and is one of the prime reasons why parents choose St Margaret's for their daughters in preference to the many larger schools available to them locally in both independent and maintained sectors.

The Governors are committed to broadening access to the School by every means at their disposal, whilst having regard to their duty to safeguard its long-term future.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

Our ethos: a caring School serving our local community and society

St Margaret's School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing a first class education to girls.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In early 2018 the school underwent a compliance inspection which confirmed that the school meets all its obligations as regards the quality of provision and care for the girls of the school.

We had to adapt many of our practices so that we were able to provide appropriate pastoral support during the lockdown period.

In the Spring of 2020, we introduced a new 'PROSPER' focus, the acronym standing for a series of focused areas, related to wellbeing, designed to complement and underpin the traditional curriculum.

Parents are given regular information about their children's social and academic progress through parent evenings and online progress grades, in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our newsletter. The school operates a mostly 'open door' policy and parents are given access to teachers' direct email addresses with a view to maintaining close communication opportunities.

Access Policy

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy together with our 'Teaching Links' programme contribute to a widening of access to the education we offer and the facilities we enjoy.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

OUR ETHOS STRATEGY AND POLICIES (continued)

Teaching Links

Our School is a part of a wider community and we are keen that our staff and pupils participate. Our Governors are committed to developing our 'Teaching Links' programme of cooperation and joint working with local state junior and secondary schools. Please see our "community section" above.

Bursary policy

At St Margaret's we believe whole-heartedly in the value of a traditional academic education within a small scale, "family" environment. This is an expensive endeavour, and our fees must cover our costs as well as providing for the future maintenance, development and stability of the school. We are well aware that, in consequence, an education at St Margaret's is beyond the means of some parents whose daughters would derive considerable benefit from what we have to offer. The Governors are committed to broadening access to the School by every means at their disposal, including by offering means-tested financial assistance, of up to 100% remission of fees, to parents of suitable applicants.

Where funds allow, the school will continue to give sympathetic consideration to cases where the parents of existing pupils experience a sudden, unforeseen change in circumstances which would result in their daughter otherwise having to be withdrawn from the school. For the sake of clarity, these awards are termed Hardship Grants.

The bursary awards range from 50% to 100% remission of fees. In the year we awarded 11 bursaries at an average of £12,313 each.

The success of our bursary scheme is explained in our review of activities and achievements section of this report. Details of bursary awards are set out in note 5 to the accounts.

Other policies on assistance

Financial planning policy

Timely financial planning is often the key for many parents who are hoping to send their children to St Margaret's School and a school fee plan is available to help those who wish to fund educational costs through regular contributions.

Family discounts policy

To underline the value we place on continuity for families, we offer discounts where parents have more than two daughters at the School

Promoting high academic standards

The Teachers' Standards (as set out by the DfE) are in full use and have now been extended to reflect an additional set of 12 STM standards which acknowledge contribution across the school which is substantial and sustained.

We provide whole school in-house professional development approximately every two weeks.

We have appointed a Key Stage 1 / Early Years Coordinator to oversee teaching in these Year groups.

We have continued to develop our Kinetic Learning initiative which focuses on higher order skills (such as creativity, evaluation and decision making) being embedded into the academic curriculum to enable all pupils to benefit from stretch and challenge opportunities.

The external inset budget has been focused on opportunities to extend our staff professionally as well as offering new developments within the school.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Information on fundraising practices

The School recognises the contribution made by its supporters, with voluntary donations being a valuable part of the School's incoming resources. All fundraising activity is carried out by our Parent Teachers Association (PTA) which is led by an elected committee of parents and operates independently from the school. This group raises money for the School through events and activities which are voluntary and advertised in a non-intrusive manner.

The School does not utilise the services of any external commercial fundraisers. Given that the majority of donations are from parents of current pupils, either direct or through our PTA, and only limited fundraising activity takes place, the School does not consider it necessary at this time to subscribe to a fundraising regulator. The School has not received any complaints in the year in respect of our fundraising practices.

Structure, governance and management

a. Constitution

St. Margarets School (Hampstead) Limited is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 August 1954, as amended by special resolution registered at Companies House on 17 December 2018.

b. Governor recruitment and training

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new trustees the important attribute is a commitment to the School and an understanding of education as a holistic and rounded experience of personal growth. Governors are recruited by personal recommendation and are inducted into the workings of the School and the Board by the Chairman, Bursar and the Principal. We also invite senior local business people to consider joining our Board. Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background
- X 2 Governor with a financial/accounting background
- A Governor with education experience
- A Governor with senior managerial or business experience
- A Governor with experience of equal opportunities or disability needs
- At least one female Governor and at least one male Governor

One Governor may have one or more of these skills.

New Governors undergo a full induction process and competence is maintained through access to a variety of training media.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Governors, who are also the charity trustees, are responsible for the overall management and control of St Margaret's School Hampstead and meet six times a year. The work of implementing most of their policies is carried out by members of the Board. The St Margaret's School Bursar is responsible for coordinating the work of the Governors and their Committees, preparation of papers and management accounts and the review of matters arising.

The Governors who served during the year are shown on page 1. The current Governors come from a variety of backgrounds and include two solicitors, an accountant, an architect and a general practitioner. Two governors are former parents and one is a former pupil. The majority live within a five mile radius of the school.

All trustees give of their time freely and no remuneration or expenses were paid in the year for their Governing duties.

The Governors determine the general policy of the School. The day to day running of the School is delegated to the Principal, supported by senior staff. The Principal undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The day to day administration of both Junior and Senior School is undertaken within the policies and procedures approved by the Governors.

The Principal oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non-teaching support staff. The Principal and Bursar are invited to attend Governors' meetings.

d. Pay policy for key management personnel

The Governors consider that they, together with the Principal, the Bursar and the Senior Leadership Team comprise the Key Management Personnel (see note 11 to the accounts). The Governors give their time freely and the pay remuneration of the Principal and senior staff is set by the Salary Committee and is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- competitor salaries in the region
- the sector average salary for comparable positions
- trends in pay

The Governors have given delegated authority to the Principal and Bursar to pay higher salaries for exceptional candidates where this is in the interest of the School.

e. Other relationships

The Principal is a member of the GSA which is an opportunity to share expertise, knowledge and experience across the independent school sector. The Conference also permits appropriate representation to Government and regulators of the views of the sector.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

f. Risk management

The Governors are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Senior Management of the School. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, school safety, student welfare, employment, school trips and events and community access.

The main risks that the Governors have identified and the plans to manage those risks are:

- **Reputation:** The School's success is built on its reputation for the education and well-being of our pupils. We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.
- **Money:** Our ability to continue is reliant on pupil fees and the ability to pay bills as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and active cash-flow management
- **Curriculum:** Academic excellence requires the most able teachers with good facilities delivering the curriculum to able students. We manage this risk by combining attractive salaries with additional allowances and an approach to enrolment that works with supportive parents whose children have an appetite for learning and a bursary scheme that recognises pupil achievement and aptitude.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for future periods

The Governors intend to continue their current strategies of maintaining the School's position in a competitive market by investing to provide high quality education for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Principal and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development.

Our future plans are financed primarily from fee income and from our reserves. The Governors need to maintain an equitable balance ensuring our current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from the investment made in the past.

The Governors view our Bursary awards as important in widening access to the education our School provides. The Governors are constantly reviewing our Bursary Awards policies to ensure that the most deserving children can accept offers of places at our School through the availability of means-tested fee assistance.

We have maintained our links with St Luke's Church of England School (see the Choir programme mentioned above), and also invited them to join us for the Apollo Music scheme. Further plans have had to be postponed for the time being due to Covid-19 restrictions preventing the schools physically working together. Separately, one of our teachers was seconded to work at three schools next year as an Art teacher, responsible for providing art lessons once a week for a half a term. This is fully funded by St Margaret's.

Maintaining and, where necessary, developing the fabric and facilities of the School are central to our strategy. The School's programme of routine building maintenance will continue.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2020

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
Mrs E Brettle
(Chair of Trustees)

Date:

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 School will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Independent auditors' report to the Members of St. Margarets School (Hampstead) Limited

Opinion

We have audited the financial statements of St. Margarets School (Hampstead) Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Independent auditors' report to the Members of St. Margarets School (Hampstead) Limited (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Independent auditors' report to the Members of St. Margarets School (Hampstead) Limited (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 purpose of expressing an opinion of the effectiveness of the 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the 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.

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.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Independent auditors' report to the Members of St. Margarets School (Hampstead) Limited (continued)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London

Date:

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	4	52,028	4,000	-	56,028	1,152
Charitable activities	5	2,648,963	-	-	2,648,963	2,476,548
Other trading activities	6	15,778	-	-	15,778	20,222
Investments	7	15,295	2,712	-	18,007	14,141
Total income and endowments		2,732,064	6,712	-	2,738,776	2,512,063
Expenditure on:						
Raising funds	8	9,475	1,912	-	11,387	7,974
Charitable activities	9	2,468,485	-	15,258	2,483,743	2,485,167
Total expenditure		2,477,960	1,912	15,258	2,495,130	2,493,141
Net gains on investments		8,867	-	-	8,867	14,607
Net income / (expenditure)		262,971	4,800	(15,258)	252,513	33,529
Transfers between funds	19	(634,088)	634,088	-	-	-
Net movement in funds before other recognised gains		(371,117)	638,888	(15,258)	252,513	33,529
Other recognised gains:						
Gains on revaluation of fixed assets		-	4,263,774	-	4,263,774	-
Net movement in funds		(371,117)	4,902,662	(15,258)	4,516,287	33,529
Reconciliation of funds:						
Total funds brought forward		421,076	1,486,534	60,164	1,967,774	1,934,245
Net movement in funds		(371,117)	4,902,662	(15,258)	4,516,287	33,529
Total funds carried forward		49,959	6,389,196	44,906	6,484,061	1,967,774

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 47 form part of these financial statements.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)
Registered number: 00537118

Balance sheet
as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	6,232,304	1,329,642
Investments	14	942,660	934,347
		7,174,964	2,263,989
Current assets			
Debtors	15	14,466	19,179
Cash at bank and in hand		763,066	1,095,016
		777,532	1,114,195
Creditors: amounts falling due within one year	16	(482,127)	(405,513)
Net current assets		295,405	708,682
Total assets less current liabilities		7,470,369	2,972,671
Creditors: amounts falling due after more than one year	17	(964,153)	(980,526)
Net assets excluding pension liability		6,506,216	1,992,145
Defined benefit pension scheme liability	25	(22,155)	(24,371)
Total net assets		6,484,061	1,967,774
Charity funds			
Restricted funds	19	44,906	60,164
Designated funds	19	6,389,196	1,486,534
Unrestricted funds	19	49,959	421,076
Total funds		6,484,061	1,967,774

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)
Registered number: 00537118

Balance sheet (continued)
as at 31 August 2020

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Mrs E Brettle
(Chair of Trustees)

Date:

The notes on pages 25 to 47 form part of these financial statements.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	452,825	131,476
Cash flows from investing activities		
Dividends, interests and rents from investments	18,007	14,141
Purchase of tangible fixed assets	(784,177)	(310,469)
Proceeds from sale of investments	7,345	665,948
Purchase of investments	(6,791)	(706,772)
Net cash used in investing activities	(765,616)	(337,152)
Cash flows from financing activities		
Cash inflows from new borrowing	-	850,000
Repayments of borrowing	(19,159)	(1,681)
Net cash (used in)/provided by financing activities	(19,159)	848,319
Change in cash and cash equivalents in the year	(331,950)	642,643
Cash and cash equivalents at the beginning of the year	1,095,016	452,373
Cash and cash equivalents at the end of the year	763,066	1,095,016

The notes on pages 25 to 47 form part of these financial statements

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. General information

Charity information

St. Margarets School (Hampstead) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 18 Kidderpore Gardens, Hampstead, London, NW3 7SR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St. Margarets School (Hampstead) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Company status

The School is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

2.3 Going concern

Having reviewed the resources and funding available to the school together with the expected ongoing demand for places and the school's projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the school's financial viability. Thus the Governors continue to adopt the going concern basis of accounting in preparing the accounts.

These considerations take into account the impact of Covid-19 and the Governors have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities.

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.4 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income arises in the United Kingdom from educational and allied activities and is accounted for in the year to which it relates. Tuition fees unpaid at the balance sheet date and relating to the period to that date are brought in as income with a provision created in respect of those for which recoverability is considered to be doubtful. Fees received in advance at the balance sheet date are included in creditors as deferred income.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Investment income is recognised on a receivable basis.

Government grants are recognised in the period in which it is receivable and the related expenditure is incurred.

2.5 Expenditure

Expenditure is recognised 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.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated to the charitable activity in the statement of financial activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the School. Governance costs are those incurred in connection with public accountability of the School and its compliance with constitutional and statutory requirements.

Costs of raising funds are costs incurred in managing the School's investment portfolio.

Charitable activities are costs incurred on the School's operations. These include all support costs and costs relating to the governance of the School which it is considered appropriate to allocate in full to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal undertaken by the School with reference to the most recent valuation performed for loan security purposes.

Gains and losses on revaluation are recognised in the statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method from the date they are brought into use.

Depreciation is provided on the following bases:

Freehold property	- 2% on valuation
Office equipment	- 33 1/3% on cost

2.8 Investments

The School's portfolio is managed professionally by Canaccord Genuity Wealth Management, in accordance with the objective of providing a balance of capital growth and income. Investments are stated at market value.

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account. Transaction costs are expensed as incurred.

The charity does not acquire or use put options, derivatives or other complex financial instruments.

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Creditors

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.13 Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.14 Retirement benefits

Retirement benefits to employees of the school were provided by the Teachers' Pension Scheme ('TPS') until January 2020 and the Independent Schools' Pension Scheme ('ISPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The ISPS is a funded scheme and the assets are held separately from those of the school in separate trustee administered funds. The trustee commissions an actuarial valuation of the scheme every three years using the prospective unit credit method. The ISPS is a multi-employer scheme and there is insufficient information available to use defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Where the actuarial valuation reveals a shortfall of assets compared to liabilities a provision for additional agreed contribution payments is also recognised in full.

In January 2020 the school withdrew from the TPS scheme and joined AVIVA's defined contribution scheme in January 2020. Contributions are recognised in the period to which they relate.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.16 Pupil deposits

A deposit is collected in respect of each pupil joining the school. This may be used to cover outstanding fees and expenses on the departure of the pupil, or retained in lieu of fees if the required notice of withdrawal is not given. As pupils are expected to remain at the school for several years and departing pupils are replaced by new students the Governors consider it is appropriate to treat all deposits as repayable after more than one year.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

2. Accounting policies (continued)

2.17 Employee benefits

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Critical accounting estimates and areas of judgment

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.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. 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.

The present value of the Independent Schools' Pension Scheme ('ISPS') defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 30 September 2017 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The carrying value of the land and buildings depends on the market values of similar property in the local area and will fluctuate according to market conditions.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations and gifts	9,013	4,000	13,013
Grants	43,015	-	43,015
Total 2020	52,028	4,000	56,028

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

4. Income from donations and legacies (continued)

During the year, the School received unrestricted donations of deposits from ex-pupils. The School also received a donation from Friends of St.Margarets for the works in the playground area. This money was spent during the year and capitalised.

The School also received government grants in the form of furlough pay for staff members furloughed during the COVID-19 epidemic.

In the prior year, the School received unrestricted donations of deposits from ex-pupils.

	Unrestricted funds 2019 £	Total funds 2019 £
Donations	1,152	1,152

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tuition fees and school activities	2,648,963	2,648,963	2,476,548

During the year the School received income in relation to Autumn 2020 fees. These have been included in deferred income (see note 16).

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

6. Trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Optional extra school activities	15,778	15,778	20,222

All income from other trading activities in 2020 and 2019 was unrestricted.

7. Investment income

	Unrestricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £
Income from listed investments	13,416	2,712	16,128
Interest receivable	1,879	-	1,879
Total 2020	15,295	2,712	18,007

	Unrestricted funds 2019 £	Designated funds 2019 £	Total funds 2019 £
Income from local listed investments	10,491	2,279	12,770
Interest receivable	1,371	-	1,371
	11,862	2,279	14,141

8. Investment management costs

	Unrestricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £
Investment management fees	9,475	1,912	11,387

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

8. Investment management costs (continued)

	Unrestricted funds 2019 £	Designated funds 2019 £	Total funds 2019 £
Investment management fees	6,551	1,423	7,974

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tuition fees and school activities	2,468,485	15,258	2,483,743

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tuition fees and school activities	2,470,908	14,259	2,485,167

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Tuition fees and school activities	2,158,189	325,554	2,483,743

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

10. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Tuition fees and school activities	2,131,000	354,167	2,485,167

Analysis of direct costs

	Tuition fees and school activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,566,761	1,566,761	1,575,602
Depreciation	145,289	145,289	117,317
Bursaries and Scholarships	150,172	150,172	117,987
Food and catering	101,288	101,288	106,506
Sport, music and art	54,027	54,027	78,831
Other direct expenditure	140,652	140,652	134,757
Total 2020	2,158,189	2,158,189	2,131,000

Analysis of support costs

	Tuition fees and school activities 2020 £	Total funds 2020 £	Total funds 2019 £
Wages and salaries	77,091	77,091	73,714
Premises and equipment	99,067	99,067	127,707
Other costs	130,753	130,753	104,799
Governance costs	18,643	18,643	47,947
Total 2020	325,554	325,554	354,167

Governance costs relate to legal and professional fees of £7,842 (2019 - £36,344) and Audit and accountancy fees of £10,801 (2019 - £11,603).

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

11. Staff costs

	2020 £	2019 £
Wages and salaries	1,333,604	1,363,207
Social security costs	129,830	124,017
Pension scheme costs	180,418	162,092
	<u>1,643,852</u>	<u>1,649,316</u>

Included in wages and salaries for 2019 is an amount in relation to settlement costs paid to two employees (2020: none).

The average number of persons employed by the School during the year was as follows:

	2020 No.	2019 No.
Teachers	26	26
Office and domestics	14	15
	<u>40</u>	<u>41</u>

The average headcount expressed as full-time equivalents was 32 (2019: 34).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1

The total remuneration paid during the year to the senior management team, which includes the Principal, Deputy Head, the Director of Studies and the Bursar, was £374,882 (2019: £347,958).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

13. Tangible fixed assets

	Freehold property £	Office equipment £	Assets under construction £	Total £
Cost or valuation				
At 1 September 2019	1,374,220	644,790	230,677	2,249,687
Additions	-	177,254	606,923	784,177
Disposals	(104,730)	(163,249)	-	(267,979)
Transfers between classes	837,600	-	(837,600)	-
Revaluations	4,070,978	-	-	4,070,978
At 31 August 2020	6,178,068	658,795	-	6,836,863
Depreciation				
At 1 September 2019	297,526	622,519	-	920,045
Charge for the year	52,288	93,001	-	145,289
On disposals	(104,730)	(163,249)	-	(267,979)
On revalued assets	(192,796)	-	-	(192,796)
At 31 August 2020	52,288	552,271	-	604,559
Net book value				
At 31 August 2020	6,125,780	106,524	-	6,232,304
At 31 August 2019	1,076,694	22,271	230,677	1,329,642

Assets under construction related to the development of new school building consisting of two new classrooms and a new Science Laboratory. Upon completion of the extension, those assets have been transferred to freehold property.

On 1 September 2020, the freehold land and buildings were revalued by the Trustees.

Had these assets been measured at historic cost, the carrying value of the freehold property would have been £1,936,150 (2019: £1,224,220).

Freehold land and buildings (18 Kidderpore Gardens) have been pledged as security for a bank loan liability of the charity.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

14. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 September 2019	859,555	74,792	934,347
Additions	6,791	-	6,791
Disposals	(7,345)	-	(7,345)
Revaluations	8,867	-	8,867
Transfers between classes	18,576	(18,576)	-
At 31 August 2020	886,444	56,216	942,660
Net book value			
At 31 August 2020	886,444	56,216	942,660
<i>At 31 August 2019</i>	<i>859,555</i>	<i>74,792</i>	<i>934,347</i>

Material investments

Those investments making up more than 5% of the total market value of the portfolio were:

	2020 £
Schroder Asian Total RTN INV CO PLC ORD GBP	48,058
Smithson Investment Trust PLC Ord GBP0.01	44,880
Fundsmith LLP Equity INC NAV	52,855
	145,793

Investments at market value comprise:

	UK 2020 £	Overseas 2020 £	Cash to be reinvested 2020 £	Total funds 2020 £
Listed investments	142,494	743,950	56,216	942,660

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	10,502	7,175
Other debtors	2,202	-
Prepayments and accrued income	1,762	12,004
	14,466	19,179

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	30,007	28,793
Trade creditors	5,864	9,493
Other taxation and social security	31,432	39,453
Other creditors	369	20,921
Accruals and deferred income	414,455	306,853
	482,127	405,513

There is one loan secured by legal charges over the freehold land and buildings of 18 Kidderpore Gardens by a debenture in favour of CAF Bank.

The loan is repayable over a 20 year term to July 2039 through equal monthly instalments of capital and interest which are at a fixed rate for the first five years, currently 3.84%.

The loan was secured during the year for the purposes of providing a new Science lab and classroom in the outer building of the School.

Tuition fees included within deferred income were as follows:

	2020 £
Deferred income at 1 September 2019	266,121
Tuition fees received in the year	(2,551,489)
Income recognised in the year (note 5)	2,648,963
	363,595

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

17. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	799,153	819,526
Other creditors	165,000	161,000
	<u>964,153</u>	<u>980,526</u>

18. Provisions

	2020	2019
	£	£
ISPS Pension deficit contribution (see note 25)	22,155	24,371
	<u>22,155</u>	<u>24,371</u>

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

19. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Fund	421,076	2,732,064	(2,477,960)	(634,088)	8,867	49,959
Restricted funds						
Salti Bursary	60,164	-	(15,258)	-	-	44,906
Designated funds						
Morton Scholarship Fund	156,892	2,712	(1,912)	(800)	-	156,892
Fixed Asset Reserve	1,329,642	-	-	638,888	-	1,968,530
Revaluation Reserve	-	-	-	-	4,263,774	4,263,774
FOSM - Playground contributions	-	4,000	-	(4,000)	-	-
	1,486,534	6,712	(1,912)	634,088	4,263,774	6,389,196
Total of funds	1,967,774	2,738,776	(2,495,130)	-	4,272,641	6,484,061

Restricted funds

The Salti Bursary was established to provide a scholarship to a single student to ensure the highest probability of their success for their full education at the school.

Designated funds

The Morton scholarship fund was established to reflect the wishes of a donor that some of her donation be used to provide scholarships and bursaries to future pupils. The school board has agreed that any increase of the fund over the value of £156,892 will be transferred to the unrestricted funds to assist the cost of the Morton bursaries.

The Fixed Asset Reserve was established in accordance with Charity Commission guidance to separately identify the value of the fixed assets held by the school. Transfers represent net movements on fixed assets in the year.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Fund	566,440	2,509,784	(2,477,459)	(189,689)	12,000	421,076
Restricted funds						
Salti Bursary	74,423	-	(14,259)	-	-	60,164
Designated funds						
Morton Scholarship Fund	156,892	2,279	(1,423)	(3,463)	2,607	156,892
Fixed Asset Reserve	1,136,490	-	-	193,152	-	1,329,642
	1,293,382	2,279	(1,423)	189,689	2,607	1,486,534
Total of funds	1,934,245	2,512,063	(2,493,141)	-	14,607	1,967,774

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	6,232,304	-	6,232,304
Fixed asset investments	785,768	156,892	-	942,660
Current assets	732,626	-	44,906	777,532
Creditors due within one year	(482,127)	-	-	(482,127)
Creditors due in more than one year	(964,153)	-	-	(964,153)
Provisions for liabilities and charges	(22,155)	-	-	(22,155)
Total	49,959	6,389,196	44,906	6,484,061

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	1,329,642	-	1,329,642
Fixed asset investments	777,455	156,892	-	934,347
Current assets	1,054,031	-	60,164	1,114,195
Creditors due within one year	(405,513)	-	-	(405,513)
Creditors due in more than one year	(980,526)	-	-	(980,526)
Provisions for liabilities and charges	(24,371)	-	-	(24,371)
Total	421,076	1,486,534	60,164	1,967,774

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	252,513	33,529
Adjustments for:		
Depreciation charges	145,289	117,317
Gains on investments	(8,867)	(14,607)
Dividends, interests and rents from investments	(18,007)	(14,141)
Decrease in debtors	4,713	7,426
Increase in creditors	79,400	3,492
(Decrease)/increase in provisions	(2,216)	1,540
Net cash provided by operating activities	452,825	134,556

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	763,066	1,095,016
Total cash and cash equivalents	763,066	1,095,016

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	1,095,016	(331,950)	-	763,066
Debt due within 1 year	(28,793)	19,159	(20,373)	(30,007)
Debt due after 1 year	(819,526)	-	20,373	(799,153)
	<u>246,697</u>	<u>(312,791)</u>	<u>-</u>	<u>(66,094)</u>

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	600,000

The prior year commitment related to the completion of work on the new Science lab and classroom in the outer building of the School. This work was completed in the current year.

25. Pension commitments

The School's employees belong to two principal pension schemes: one for academic and related staff and one for non-teaching staff. Academic and related staff were previously in the Teachers' Pension Scheme (England and Wales) ("the TPS") and are now in the Aviva Pension Trust for Independent Schools (APTIS), a defined contribution scheme. Non-teaching staff are in the Independent Schools' Pension Scheme (ISPS), which is managed by TPT Retirement Solutions.

Both TPS and ISPS are multi-employer defined benefit schemes and the School is unable to identify its share of the underlying assets and liabilities. In accordance with FRS 102, the School has accounted for its contributions to these schemes as if they were defined contribution schemes. Accordingly, the accounting charge for these schemes in the period under FRS 102 represents the employer contributions payable and any change in the provision for contributions under the deficit recovery plan.

Teachers' Pension Scheme

Until January 2020, the School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £78,318 (2019: £161,919) and at the year-end £nil (2019 - £nil) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

25. Pension commitments (continued)

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.

In January 2020, the School withdrew from the TPS (England and Wales) and joined APTIS, a defined contribution pension scheme.

Aviva Pension Trust for Independent Schools (APTIS)

The pension charge for the year includes contributions payable to APTIS of £101,592 (2019: £nil) and at the year-end £nil (2019 - £nil) was accrued in respect of contributions to this scheme.

Independent Schools' Pension Scheme (ISPS)

The School participates in The Independent Schools' Pension Scheme (the Scheme), which is a funded multi-employer defined benefit (DB) scheme. The Scheme is a contracted-out of the State scheme.

There are four DB structures available, namely:

- a) Final salary with a 1/60th accrual rate
- b) Final salary with a 1/80th accrual rate
- c) Career average revalued earnings with an 1/80th accrual rate
- d) Career average revalued earnings with a 1/120th accrual rate

A defined contribution (DC) benefit structure was made available from 1 September 2013.

An employer can elect to operate different benefit structures for different categories of staff. The School has elected to operate the final salary with 1/60th accrual rate.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period St Margaret's School (Hampstead) Limited paid a joint contribution rate of 26.81% comprising employer contributions of 18.68% and member contributions of 8.13%. As at the balance sheet date there was one active member of the Scheme employed by St Margaret's School (Hampstead) Limited. The school does not offer membership of the Scheme to its employees.

The last formal valuation of the Scheme was performed as at 30 September 2017 by a professionally

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

25. Pension commitments (continued)

qualified actuary using the Projected Unit Method. The following key assumptions have been used for the 2017 valuation.

Assumptions

	30 Sept 2017
	Valuation
	£m
Price inflation	RPI - 3.35%
	CPI - 2.45%
Discount rate	
- pre retirement	4.21%
- post retirement	2.26%
Pensionable earnings growth (annual)	CPI - 2.45%

In addition to these key financial assumptions, the latest mortality projections, supported by Scheme specific experience, have also been used in the assumption set adopted.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

Based on the valuation assumptions adopted, the 2017 valuation results are:

	30 Sept 2017 Valuation £m
Assets	149
Liabilities	188
Deficit	38
Funding level (%)	80
	<hr/> 455 <hr/>

The future service contribution rate that will apply to the School from 1 September 2019 is 30.5% as determined by reference to the Scheme's 30 September 2017 valuation.

Following consideration of the results of the Scheme's 2017 actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by payment of deficit contributions of £2.4 million per annum from 1 September 2019 to 30 April 2030. The new recovery plan replaces the recovery plan set out in the 2014 valuation report. The amount of deficit contribution will be dependent on the membership profile of each individual employer. There will be a review of progress at the next valuation in 2020.

The School is required to contribute deficit payments of £1,539.60 for the year commencing 1 September 2018. From 1 September 2019 the School will be required to contribute £2,284.78 a year increasing annually by 3% from 1 September 2020 and on 1 September thereafter until 30 April 2030. In accordance with FRS 102, a provision has been recognised for the expected total deficit contributions (see note 18).

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). In relation to the 2014 valuation the Regulator did not respond on whether they intend to take any Scheme Funding Action.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. As at 30 September 2014 the estimated employer debt for the School was £103,863. The revised estimate as at 30 September 2017 is not yet available.

St. Margarets School (Hampstead) Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

26. Related party transactions

Mrs M Wayne, a governor, was paid the sum of £nil (2019: £795) for her work as an invigilator and French cover teacher.

Dr A Wayne, a governor, was paid the sum of £280 (2019: £220) for providing staff flu vaccinations.

27. Operating lease commitments

At 31 August 2020 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	5,309	5,309
Later than 1 year and not later than 5 years	-	5,309
	<hr/> 5,309 <hr/>	<hr/> 10,618 <hr/>

28. Controlling party

The Charity is governed by the Trustees who do not consider there to be one controlling party.