

Registered number: 00537118
Charity number: 312720

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2023

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details of the School, its Governors and Advisers	1 - 2
Governors' Report	3 - 14
Governors' Responsibilities Statement	15
Independent Auditors' Report on the Financial Statements	16 - 19
Statement of Financial Activities	20
Balance Sheet	21 - 22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 42

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Reference and Administrative Details of the School, its Governors and Advisers
For the Year Ended 31 August 2023

Governors	Mrs E Brettle, Chairman Ms D Atkinson Mr M Feldman Mr E Grower Mr D MacNeill Mrs T Marton Rev A Tresidder (appointed 14 March 2023) Miss M C Mendham Mrs L McBride Mr F Patel Dr A Wayne Mrs M Wayne
Company registered number	00537118
Charity registered number	312720
Registered office	18 Kidderpore Gardens Hampstead London NW3 7SR
Principal	Mr M Webster
Bursar	Mrs S Beschizza
Clerk to the Governors	Mrs S Beschizza
Website	www.st-margarets.co.uk
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 2nd Floor 168 Shoreditch High Street London E1 6RA
Bankers	CAF Bank Limited 25 Kings Hill Avenue, Kings Hill West Mailing Kent ME19 4JQ

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Reference and Administrative Details of the School, its Governors and Advisers (continued)
For the Year Ended 31 August 2023

Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
Investment Advisors	Canaccord Genuity Wealth Management 88 Wood Street London EC2V 7QR
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)

Governors' Report
For the Year Ended 31 August 2023

The Governors of St Margaret's School (Hampstead) Limited present their Annual Report together with the audited Financial Statements of the School for the 1 September 2022 to 31 August 2023. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law. The Governors confirm that the Annual Report and Financial Statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the 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 other lies at the heart of the school community, within which the potential and talent of everyone 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 qualifications 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.
- Enable girls to develop personal characteristics through our PROSPER programme whereby the pupils are helped to develop and sustain Positivity, Relationships, Optimism, Strengths, Purpose, Endeavour and Resilience

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

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 our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's public benefit guidance.

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 progress for GCSE is 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 primary 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 2022/2023 was 167. This is almost at our capacity of 170, the maximum number which can be comfortably accommodated on school premises.

Our fees are set at a 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 2022/2023 before the deduction of any means assisted bursaries were:

Years R to 2	£5,046 per term
Years 3 – 6	£5,554 per term
Year 7 – 11	£5,845 per term

Curriculum

The curriculum remained the same as in previous years, albeit updated with syllabus changes. We are focusing on the skills developed within the individual subject areas. For example, the skill of evaluation to reach the highest grades at GCSE.

Academically it was a very successful year overall for our girls at GCSE level, with 72% of grades being awarded a 7 or above (the equivalent of an A grade).

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

Co-curricular activities:

Music

We held a Carol service at St Luke's Church in December 2022 for the whole school with our orchestra, choir, handbells group, ukulele group and nearly all the girls taking part. We performed with choir (Y3-Y6) and handbells group (Y8) in Spring Grove – elderly residence and Pupils spent some time chatting to the residents.

In March 2023, we held a school music competition, which involved performances of girls from Reception to Year 11. Girls had an opportunity to sing or play in front of the whole school. St. Margaret's teachers and Y11 music students judged the competition.

In the classroom, we continue to use 'flat.io' music software for composition in KS3.

We have maintained singing in class and in the Junior choir. To engage and inspire our students, we performed at The Royal Albert Hall with Barnardo's choir who support and protect children and young people facing a wide range of issues, from drug misuse to disability, from sexual abuse to domestic violence.

Our Summer concert at St Luke's Church took place in May 2023 with many memorable performances.

We also ran our smaller informal Teatime concerts for parents and families of our students, which have proved to be extremely popular.

We made a contact with Emmanuel school in West Hampstead and agreed to perform at Jester Festival together with our Junior choir and planned 'creative writing' between our schools.

Drama

Students from Years 7 to 11 were all taught Drama by our subject specialist teacher. The curriculum for KS3 and KS4 was delivered in school using both the Tollgate & Royal Tollgate spaces.

Changes to the KS3 curriculum included: the development of Year 7 (SOL) based upon historical events at Flannan Isle and a full practical exploration of the text Mugged by Andrew Payne; Year 8 saw the re-introduction of the SOL based upon The Match Girls' strike, and the development of materials around the stage version of Noughts & Crosses, by Malorie Blackman; Year 9 were introduced to the traditions of Commedia Del Arte and masked drama, as well as being invited to explore the Phillip Ridley play, Sparkleshark.

In September 2022 all GCSE drama students attended a performance of Nought & Crosses at the Richmond Theatre. This provided them with the opportunity to experience live theatrical performance in preparation for Section B of their written exam paper, where they are required to write an evaluation of Live Theatre that they have seen. The school continues to make use of its subscription to a streaming service, Drama Online, which has proved useful to the teaching not only of GCSE classes, when examining aspects of design and directing, but also for groups at KS3.

The KS4 curriculum remains largely unchanged. Specification requirements returned to normal for 2023 candidates with GCSE exams externally examined in the normal way. Results were good overall, although the online assessment of Component 2, Text in Performance, was disappointing and impacted overall grades. One candidates achieved Grade 8, 1x Grade 7, and 2 x Grade 6.

From February, working in collaboration with Achieve Arts, we have introduced LAMDA classes for students across the school, with classes taking place for Juniors & Seniors after school on Mondays and Infants on Tuesday lunchtime.

Governors' Report (continued)
For the Year Ended 31 August 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

Sport

The PE curriculum throughout various stages of the School covers the following areas: netball, gymnastics, dance, games, fitness, tennis, swimming, rounders, athletics, trampolining, volleyball, badminton and rowing. Incidental exposure to other sports, such as tag rugby, cross-country, orienteering, hockey, table tennis and others are explored or given to girls as taster sessions.

During the last two academic years we have added football to both the curriculum and to our school fixture list. Cricket matches have been added to the summer curriculum and the girls played their first competitive cricket fixtures. In addition we introduced mixed sporting events playing Cricket with St Anthony's Boys School. Currently netball and rounders remain our main competitive sports but we have recently had a number of football matches in both the Junior and the Senior School and have formally introduced Junior School fixtures to the calendar for the first time this year.

The broad curriculum makes use of a variety of facilities. Currently St Luke's School is used for indoor work such as gym, dance, fitness and indoor games for the lower Juniors and Infants. The whole School from Rec. upwards continues to use West Heath for both lessons and matches. Currently Y5&6 and the Senior School make 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 continue to achieve commendable success with a weekly fixture schedule. Additionally we offer a wide variety of sports clubs throughout the year. We have a tennis club, a running club, ballet, netball clubs, street dance, yoga, jazz dance, cheerleading and rounders, cricket and football clubs. We have continued to run a new karate club and yoga is offered to the girls in the Senior School during the day as part of an ongoing wellbeing programme. There is an early morning netball shooting clinic and a football club that both take place before school. Our cheerleading squad have historically performed at sporting events, this is now offered to Junior pupils.

At the end of the Spring Term, we have an annual Movement Display that includes every pupil from Reception-Y8. Junior School swimming takes place from Reception-Y6 in the Summer term and our Annual Sports Day takes place at Highgate School at the end of the Summer Term including all pupils Rec-Y10.

b. Details of bursary and scholarship awards

Bursaries

This year the value of means tested bursaries totaled £165,006 and represented 5.85% of our gross fees. They provided assistance to 11 of our pupils of which seven 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.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

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 School also supports the local neighbourhood association, Redfrog, that uses our premises for their annual AGM.

d. Environmental Initiatives

The School earned an international accreditation in academic year 2021-22 from the Eco Schools "Green Flag" recognising the pupil's work in making the School more environmentally friendly and raising eco-awareness in fellow pupils.

Eco-Schools is an international education programme that prompts young people to explore sustainability and climate change and take action.

Based on the work done in 2021-22, the eco work was integrated into the Y6 science curriculum and focused on recycling and reuse. This culminated in two activities:

An ongoing collection and recycling of used batteries by all classes in the school. Year 4 collected the most and Ms Jones asked that their prize should be some equipment to assist with Forest School.

The other activity centered on PSHE day where all the junior school classes brought in recyclable materials and repurposed them into a range of new and innovative objects.

e. Community Access

We see St Margaret's School as a part of a wider community.

We have appointed a new role at the School with a specific remit of engaging more regularly and productively with our local community. The School's Public Benefit Coordinator has contacted local schools and has produced plans for us to provide local pupils with opportunities in areas that their present schools are unable to fulfil.

f. Future Plans

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.

The principal source of income is fees accounting for 96.3 % 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.

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.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

Financial review

a. Our Finances

The financial statements show net incoming resources for the year on School activities of £2,948,663.

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's 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.

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. All electronic whiteboards have been replaced with LED Clevertouch Screens.

IT Strategy

The School's Management Information System, which incorporates the administration and finance systems, has been moved to the cloud to mitigate the risk of hosting the database onsite and to enable ease of remote working.

Teaching Staff

Teachers continue to use the Google suite of applications to support their teaching with many using the skills they learnt during lockdown to enhance their in-person teaching. All teachers and support staff have been issued with new laptops to enable remote working when necessary.

Students

Y3 to Y11 pupils are given Google accounts when they join St Margaret's. They are taught in ICT lessons how to use them appropriately.

Hardware

All pupils from Y3 – Y11 are issued with a school Chromebook which they use in class, and at home when necessary.

Moving Forward

The School is in the process of refreshing the computer hardware in each classroom . An up-to-date windows PC along with new screens and wireless keyboards and mice are being rolled out over the next 2 years.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

b. Reserves and Financial Health

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 £6,083,236.

The Governors consider that 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, that the finances are in good health.

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

The total funds as at 31 August 2023 were £7,229,231, of which £12,236 was restricted and £6,240,128 was designated.

c. Going Concern

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 Statement (Written by the School's Investment Advisers)

After over a decade of 'goldilocks investing', with economies neither too hot, nor too cold, and accommodative central banks providing significant liquidity, investors have had to adjust to sharp upward moves in both inflation and interest rates. This has limited the investments returns over the past 12 months, but the move to an environment of higher inflation and interest rates should be seen as a return to a more normal operating conditions and the ultra-low interest rates of the past 14 years, an aberration. Volatile markets often result in significant value appearing outside a narrow list of shares. This is happening and we are looking to take advantage of this over the next year.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

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 requires 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 financial 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 requires all staff and volunteers to share this commitment.

In April 2022, the school underwent a dual compliance and educational quality inspection, which confirmed that the school meets all its obligations as regards the quality of provision and care for the girls of the school.

The school was awarded an 'Excellent' grade for both the two Educational Quality inspection criteria.

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)

Governors' Report (continued)
For the Year Ended 31 August 2023

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 Access 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 25% to 100 % remission of fees. In the year, we awarded 11 bursaries at an average of £15,000 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 also 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 been extended to reflect an additional set of 12 St Margaret's standards which acknowledge contribution across the school which is substantial and sustained. These are now embedded as a part of every teacher's annual appraisal process and programme.

We provide whole school in-house professional development approximately every two weeks. We have a range of contributors to these in-house workshops and meetings, with a focus on sharing good practice, samples of work, and keeping the progress of our pupils as a priority of the agenda.

We are continuing to develop better ways to understand the experience of our pupils within the learning environment, for example, by evaluating our 'systems' by focusing on their impact on pupil progress. This is brought together under a document known as Pathways (i.e. our systems are designed to be 'pathways' to pupil progress). We consider the needs of our pupils (beyond categories such as SEND or More Able) and how they might fit into various 'distinguished groupings' which may add value to the classroom (for example languages spoken) or require a variation in how they access the curriculum (e.g. non-fiction texts as a supplementary resource). Alongside the Distinguished Groups list we have a system to track our academic intervention for pupils in need of extra support in a specific area.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

OUR ETHOS STRATEGY AND POLICIES (continued)

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.

We are also developing better transparency with the reporting home of academic attainment, in particular recognising what is a reasonable expectation of progress and celebrating high level of progress (enhanced progress) that result from support by school and home and effort and engagement of the pupil.

The pupils are heavily involved in tracking their own progress, for example with the use of half-termly progress recording sheets in the back of exercise books. These focus on the skills present in individual subjects and identify areas for the pupils to focus on moving forward.

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.

b. Governance

The Governors, who are also the charity trustees, are responsible for the overall management and control of St Margaret's School and hold six full Governor's meetings 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.

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

c. 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 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 and exceptional staff members where this is in the interest of the School.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

Structure, governance and management (continued)

d. Organisational Management

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, 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.

e. Other Relationships

The Principal is a member of the Girls School Association 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.

The school belongs to the London Consortium group of schools for the running and administration of the 11+ examination.

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 a termly 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.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Governors' Report (continued)
For the Year Ended 31 August 2023

Structure, governance and management (continued)

g. 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
- Two Governors 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 are appointed by the existing Board of Governors. The current Governors come from a variety of backgrounds and include two solicitors, two accountants, a psychologist and a general practitioner. One Governor is a former pupil. The majority live within a five-mile radius of the school. All Governors listed on page 1 have served throughout the year except where indicated.

Disclosure of information to auditors

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

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

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

Emily Brettle

Mrs E Brettle
Chair of Governors

Date: 13 March 2024

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Statement of Governors' responsibilities
For the Year Ended 31 August 2023

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

Company law requires the Governors to prepare financial statements for each financial . Under company law, the Governors 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 Governors 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 Governors 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.

Approved by order of the members of the board of Governors and signed on its behalf by:

Emily Brettle

Mrs E Brettle

Date: 13 March 2024

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 2023 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 2023 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

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

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

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

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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Governors' 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 Governors' Responsibilities Statement, the Governors (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 Governors 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 Governors 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 Governors 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.

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and sector, and through discussion with the Governors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety legislation and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, Charities Statement of Recommended Practice and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in the accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including safeguarding, health and safety and employment law) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant regulatory authorities; and
- Review of significant and unusual transactions and evaluations of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of St. Margarets School (Hampstead) Limited (continued)

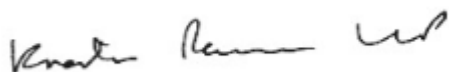
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 Governors.
- Conclude on the appropriateness of the Governors' 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.

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.



Stephen Tanner BSc (Econ) FCA
Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
London

3 May 2024

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 2023

	Note	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	2,764	-	-	2,764	670
Charitable activities	5	2,878,541	-	(17,535)	2,861,006	2,670,279
Other trading activities	6	45,395	-	-	45,395	41,138
Investments	7	19,911	2,052	-	21,963	14,708
Total income and endowments		2,946,611	2,052	(17,535)	2,931,128	2,726,795
Expenditure on:						
Raising funds	8	10,167	1,408	-	11,575	12,787
Charitable activities		2,722,333	-	-	2,722,333	2,428,889
Total expenditure		2,732,500	1,408	-	2,733,908	2,441,676
Net income/ (expenditure) before net gains on investments		214,111	644	(17,535)	197,220	285,119
Net losses on investments		(10,551)	-	-	(10,551)	(133,189)
Net income / (expenditure)		203,560	644	(17,535)	186,669	151,930
Transfers between funds	18	(46,387)	46,387	-	-	-
Net movement in funds		157,173	47,031	(17,535)	186,669	151,930
Reconciliation of funds:						
Total funds brought forward		819,694	6,193,097	29,771	7,042,562	6,890,632
Net movement in funds		157,173	47,031	(17,535)	186,669	151,930
Total funds carried forward		976,867	6,240,128	12,236	7,229,231	7,042,562

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 42 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	6,083,236	6,036,224
Investments	14	1,289,834	995,784
		7,373,070	7,032,008
Current assets			
Debtors	15	34,334	40,870
Cash at bank and in hand		547,220	562,842
		581,554	603,712
Creditors: amounts falling due within one year	16	(509,826)	(399,401)
Net current assets		71,728	204,311
Total assets less current liabilities		7,444,798	7,236,319
Creditors: amounts falling due after more than one year	17	(181,500)	(155,500)
Net assets excluding pension liability		7,263,298	7,080,819
Defined benefit pension scheme liability	23	(34,067)	(38,257)
Total net assets		7,229,231	7,042,562
Charity funds			
Restricted funds	18	12,236	29,771
Designated funds	18	6,240,128	6,193,097
Unrestricted funds	18	976,867	819,694
Total funds		7,229,231	7,042,562

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)
Registered number: 00537118

Balance Sheet (continued)
As at 31 August 2023

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 Governors 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 Governors and signed on their behalf by:

Emily Brettle
Mrs E Brettle
Chair of Governors

Date: 13 March 2024

The notes on pages 24 to 42 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 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	458,316	495,615
Cash flows from investing activities		
Dividends, interests and rents from investments	21,963	14,708
Purchase of tangible fixed assets	(191,300)	(49,665)
Proceeds from sale of investments	192,696	19,903
Purchase of investments	(497,297)	(20,616)
Net cash used in investing activities	(473,938)	(35,670)
Cash flows from financing activities		
Repayments of borrowing	-	(397,061)
Net cash provided by/(used in) financing activities	-	(397,061)
Change in cash and cash equivalents in the year	(15,622)	62,884
Cash and cash equivalents at the beginning of the year	562,842	499,958
Cash and cash equivalents at the end of the year	547,220	562,842

The notes on pages 24 to 42 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 2023

1. General information

St. Margarets School (Hampstead) Limited is a private company limited by guarantee incorporated in England. The registered office is 18 Kidderpore Gardens, Hampstead, London, NW3 7SR. The principal aims of the charitable company are shown in the Governors Report.

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 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.

2.3 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.

Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.4 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.

Expenditure on raising funds comprises costs incurred in managing the School's investment portfolio.

Expenditure on charitable activities is all expenditure incurred on the School's operations. In addition to direct costs, 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.

2.5 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 institution with whom the funds are deposited.

2.6 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 and land and property sales in the local property market. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a School may need to estimate fair value using an income or depreciated replacement cost approach.

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
Motor vehicles	- 33 1/3% on cost
Office equipment	- 33 1/3% on cost

Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.7 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 the 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 presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.8 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.

2.9 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.

2.10 Liabilities and provisions

Liabilities and provisions 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 in the Statement of Financial Activities as a finance cost.

2.11 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.

2.12 Operating leases

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

Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.13 Retirement benefits

The School operates a defined contribution pension scheme provided by the 'APTIS' Aviva Pension Trust for Independent Schools and the pension charge represents the amounts payable by the School to the fund in respect of the year.

The School is also a member of a multi-employer plan, ISPS. Where it is not possible for the School to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan and the contributions are 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. Where the actuarial valuation reveals a shortfall of assets compared to liabilities a provision for additional agreed contribution payments is also recognised in full.

2.14 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.

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.

Notes to the Financial Statements
For the Year Ended 31 August 2023

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.

Defined benefit liability

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.

Valuation of land and buildings

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.

Critical areas of judgment:

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 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	2,764	2,764	670

During the current and prior year, the School received unrestricted donations of deposits from ex-pupils.

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tuition fees and school activities	3,064,878	-	3,064,878
	-	-	-
Bursaries, scholarships and discounts	(186,337)	(17,535)	(203,872)
Net fee income	2,878,541	(17,535)	2,861,006

During the year the School received income in relation to Autumn 2023 fees. These have been included in deferred income (see note 16).

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tuition fees and school activities	2,845,790	-	2,845,790
Bursaries, scholarships and discounts	(175,634)	123	(175,511)
Net fee income	2,670,156	123	2,670,279

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

6. Trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Other fees and hire income	45,395	45,395	41,138

All income from other trading activities in 2023 and 2022 was unrestricted.

7. Investment income

	Unrestricted funds 2023 £	Designated funds 2023 £	Total funds 2023 £
Income from listed investments	14,843	2,052	16,895
Interest receivable	5,068	-	5,068
	19,911	2,052	21,963

	Unrestricted funds 2022 £	Designated funds 2022 £	Total funds 2022 £
Income from local listed investments	11,375	2,125	13,500
Interest receivable	1,208	-	1,208
	12,583	2,125	14,708

8. Investment management costs

	Unrestricted funds 2023 £	Designated funds 2023 £	Total funds 2023 £
Investment management fees	10,167	1,408	11,575

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

8. Investment management costs (continued)

	Unrestricted funds 2022 £	Designated funds 2022 £	Total funds 2022 £
Investment management fees	10,774	2,013	12,787

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Tuition fees and school activities	2,317,783	404,550	2,722,333

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Tuition fees and school activities	2,119,036	309,853	2,428,889

All expenditure on charitable activities in 2023 and 2022 was from unrestricted funds.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	1,804,418	1,677,922
Depreciation	144,288	153,179
Food and catering	136,945	117,309
Sport, music and art	76,615	71,632
Other direct expenditure	155,517	98,994
	2,317,783	2,119,036

Analysis of support costs

	Tuition fees and school activities 2023 £	Total funds 2023 £	Total funds 2022 £
Wages and salaries	65,583	65,583	53,134
Premises and equipment	166,133	166,133	123,233
Other costs	147,356	147,356	114,601
Governance costs	25,478	25,478	18,885
	404,550	404,550	309,853

10. Auditors' remuneration

	2023 £	2022 £
Fees payable to the School's auditor for the audit of the School's annual accounts	12,600	11,556

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

11. Staff costs

	2023 £	2022 £
Wages and salaries	1,522,426	1,396,521
Social security costs	168,608	157,276
Pension scheme costs	178,967	177,259
	<u>1,870,001</u>	<u>1,731,056</u>

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

	2023 No.	2022 No.
Teachers	26	24
Office and domestics	14	14
	<u>40</u>	<u>38</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	20.8	20.6
Office and domestics	11.2	12.1
	<u>32.0</u>	<u>32.7</u>

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	1

The total remuneration paid during the year to the five members of the senior management team, which includes the Principal, Deputy Head, the Director of Studies, Director of IT and the Bursar, was £490,067 (2022: £458,545).

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2022 - £NIL).

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

12. Governors' remuneration and expenses (continued)

During the year ended 31 August 2023, expenses totalling £286 were reimbursed or paid directly to 2 Governors (2022 - £Nil). The expenses were in relation to parking permits, that had been paid directly by the Governors.

13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 September 2022	6,179,556	-	778,703	6,958,259
Additions	-	67,688	123,612	191,300
At 31 August 2023	6,179,556	67,688	902,315	7,149,559
Depreciation				
At 1 September 2022	158,643	-	763,392	922,035
Charge for the year	53,142	9,392	81,754	144,288
At 31 August 2023	211,785	9,392	845,146	1,066,323
Net book value				
At 31 August 2023	5,967,771	58,296	57,169	6,083,236
At 31 August 2022	6,020,913	-	15,311	6,036,224

On 1 September 2019, the freehold land and buildings were revalued by the Trustees.

The carrying amount under the cost model for the assets which have been revalued would have been £1,881,116 (2022 - £1,919,839).

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

14. Fixed asset investments

	Listed investments £	Cash held for investment £	Total £
Valuation			
At 1 September 2022	932,474	63,310	995,784
Additions	497,297	-	497,297
Disposals	(192,696)	-	(192,696)
Revaluations	(10,551)	-	(10,551)
Transfers between classes	33,975	(33,975)	-
	<hr/>	<hr/>	<hr/>
At 31 August 2023	1,260,499	29,335	1,289,834
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2023	1,260,499	29,335	1,289,834
	<hr/>	<hr/>	<hr/>
At 31 August 2022	932,474	63,310	995,784
	<hr/>	<hr/>	<hr/>

Material investments

Those investments making up more than 5% of the total market value of the portfolio in the current or prior year were:

	2023 £	2022 £
UK Government Gilts 0.25% Jan 2025	74,972	-
UK Government Gilts 0.625% June 2025	70,738	-
UK Government Gilts 1% April 2024	73,361	-
Schroder Asian Total RTN INV CO PLC ORD GDP	47,000	50,173
Fundsmith LLP Equity INC NAV	41,776	59,028
	<hr/>	<hr/>
	307,847	109,201
	<hr/>	<hr/>

Investments at market value comprise:

	UK 2023 £	Overseas 2023 £	Total funds 2023 £
Listed investments	718,933	570,901	1,289,834
	<hr/>	<hr/>	<hr/>

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

	UK 2022 £	Overseas 2022 £	Total funds 2022 £
Listed investments	272,594	659,880	932,474

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	19,746	17,900
Other debtors	1,183	5,239
Prepayments and accrued income	13,405	17,731
	34,334	40,870

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	27,476	2,771
Other creditors	40,908	37,752
Accruals and deferred income	441,442	358,878
	509,826	399,401

Deferred income represents tuition fees received in advance as follows:

	2023 £
Deferred income at 1 September 2022	343,562
Resources deferred during the year	425,750
Amounts released from previous periods	(343,562)
Deferred income at 31 August 2023	425,750

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

	2023 £	2022 £
Other creditors	181,500	155,500

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Fund	819,694	2,946,611	(2,732,500)	(46,387)	(10,551)	976,867
Restricted funds						
Salti Bursary	29,771	(17,535)	-	-	-	12,236
Designated funds						
Morton Scholarship Fund	156,873	2,052	(1,408)	(625)	-	156,892
Fixed Asset Reserve	1,772,450	-	-	108,666	-	1,881,116
Revaluation Reserve	4,263,774	-	-	(61,654)	-	4,202,120
	6,193,097	2,052	(1,408)	46,387	-	6,240,128
Total of funds	7,042,562	2,931,128	(2,733,908)	-	(10,551)	7,229,231

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.

The Revaluation Reserve represents the movements in fair value of the property held by the School. Transfers represent depreciation and revaluations movements on the valuation of land and property held by the school.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Fund	564,484	2,724,547	(2,439,663)	103,515	(133,189)	819,694
Restricted funds						
Salti Bursary	29,648	123	-	-	-	29,771
Designated funds						
Morton Scholarship Fund	156,761	2,125	(2,013)	-	-	156,873
Fixed Asset Reserve	1,875,965	-	-	(103,515)	-	1,772,450
Revaluation Reserve	4,263,774	-	-	-	-	4,263,774
	6,296,500	2,125	(2,013)	(103,515)	-	6,193,097
Total of funds	6,890,632	2,726,795	(2,441,676)	-	(133,189)	7,042,562

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	6,083,236	-	6,083,236
Fixed asset investments	1,132,942	156,892	-	1,289,834
Current assets	569,318	-	12,236	581,554
Creditors due within one year	(509,826)	-	-	(509,826)
Creditors due in more than one year	(181,500)	-	-	(181,500)
Provisions for liabilities and charges	(34,067)	-	-	(34,067)
Total	976,867	6,240,128	12,236	7,229,231

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	6,036,224	-	6,036,224
Fixed asset investments	838,911	156,873	-	995,784
Current assets	573,941	-	29,771	603,712
Creditors due within one year	(399,401)	-	-	(399,401)
Creditors due in more than one year	(155,500)	-	-	(155,500)
Provisions for liabilities and charges	(38,257)	-	-	(38,257)
Total	819,694	6,193,097	29,771	7,042,562

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	186,669	151,930
Adjustments for:		
Depreciation charges	144,288	153,180
Gains on investments	10,551	133,189
Dividends, interests and rents from investments	(21,963)	(14,708)
Decrease/(increase) in debtors	6,536	(5,758)
Increase in creditors	136,425	59,327
Increase/(decrease) in provisions	(4,190)	18,455
Net cash provided by operating activities	458,316	495,615

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	547,220	562,842
Total cash and cash equivalents	547,220	562,842

22. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	562,842	(15,622)	547,220
	562,842	(15,622)	547,220

23. 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 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.

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

23. Pension commitments (continued)

Aviva Pension Trust for Independent Schools (APTIS)

The pension charge for the year includes contributions payable to APTIS of £174,777 (2022: £162,223) and at the year-end £Nil (2022 - £Nil) was accrued in respect of contributions to this scheme.

TPT Retirement Solutions - Independent Schools' Pension Scheme (the scheme)

The School participates in the scheme, a multi-employer scheme which provides benefits to some 61 non-associated employers. ISPS is a contracted-out of the State scheme. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The last full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme from 1 September 2022 to 30 June 2032 in the sum of £2,687,000 pa (payable monthly and increasing by 3% on each 1st September). The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

During the year, the School was required to contribute deficit payments of £4,190 (2022: £2,424). Until 30 June 2032 the School is required to contribute £4,190 pa (payable monthly and increasing by 3% on each 1st September).

In accordance with FRS 102, the School must recognise a liability measured at the present value of the contributions payable that arise from the deficit recovery agreement. The value of the provision recognised at 31 August 2022 is £34,067 (2022: £38,257).

St. Margarets School (Hampstead) Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

24. Operating lease commitments

At 31 August 2023 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	-	7,673
Later than 1 year and not later than 5 years	-	14,068
	<hr/> -	<hr/> 21,741
	<hr/>	<hr/>

Lease payments recognised as an expense in the year were £5,340 (2022: £7,673)

25. Members' liability

The school is a charitable company limited by guarantee. The members of the charitable company are the Governors names on page 1. Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

Dr A Wayne, a governor, was paid the sum of £440 (2022: £360) for providing staff flu vaccinations. There was no balance outstanding at the end of the current or prior year.

Mrs M Wayne, a governor, was paid a sum of £425 (2022: £354) for invigilation services. There was no balance outstanding at the end of the current or prior year.