

ST. MARY'S SCHOOL, HAMPSTEAD
(A Company Limited by Guarantee)

Annual report and financial statements

For the year ended

31 August 2019

Company No: 2643515

Charity registered in England No: 1006411

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report

Year ended 31 August 2019

The Trustees have prepared their annual report for the year ended 31 August 2019 in accordance with the Companies Act 2006, the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS102).

REFERENCE AND ADMINISTRATIVE INFORMATION

St Mary's School, Hampstead is incorporated as a company limited by guarantee, number 2643515 and is a registered charity, number 1006411.

St Mary's School, Hampstead was established under a Memorandum of Association dated 10 June 1991 that established its objects and powers.

The School's registered office and principal address is 47 Fitzjohn's Avenue, London, NW3 6PG.

St Mary's School, Hampstead has a two tier structure of governance: The Trustees and the Governors. Their respective roles are explained in the section on Structure, Governance and Management on page 3.

TRUSTEES

The Trustees, who are the directors of the company, who served during the year and up to the date of this report, were as follows:

Mr D H Rands (Chairman)
Mr K Wilkins (Treasurer)
Mrs S McCarron
Mr P Minns (retired 27 June 2019)
Mr K K Murphy
Mr S Murphy
Mr R M Carlyle

Trustees are elected by the members of the company. One third of Trustees retire by rotation at each Annual General Meeting (AGM) and are eligible for re-election. The Trustees who retire each year are those who have been longest in office since their last election. The Trustees who retired by rotation and were re-elected at the AGM held on 20 March 2019, were Mr D H Rands and Mr K Murphy.

COMPANY SECRETARY

Mrs Sara Gibbins

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2019

GOVERNORS

The Governors who served during the year were as follows:-

Mrs S McCarron ^{1 2 3}	(Chairman)
Mr K K Wilkins ¹	(Ex-Officio)
Mr D H Rands	(Ex-Officio)
Mr R M Carlyle ³	
Mrs A Gethin	
Mrs A Granger	
Dr D Harris ²	
Sr P Harriss	
Mr S Murphy ¹	
Mr M O'Reilly ³	
Mrs M Snowden	

¹ Member of the Finance and General Purposes Committee

² Member of the Health and Safety Committee

³ Member of the Education and Staffing Committee

The Trustees record their gratitude to the Board of Governors, and to Mrs Connor-Earl and her staff for their contribution to the continued success of the School.

SENIOR LEADERSHIP TEAM AND PROFESSIONAL ADVISORS

Headmistress	Mrs H Connor-Earl
Bursar	Mrs Sara Gibbins
Deputy Head	Miss Philippa Walker (from 1 September 2018 up to 23 April 2019)
Acting Deputy Head	Miss Philippa D'Aquino (from 24 April 2019)
Director of Studies	Mr Martin Otter (from 24 April 2019)
Independent Auditor	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Bankers	Barclays Bank PLC 28 Hampstead High Street London NW3 1QB

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2019

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The School is governed by the Memorandum of Association which was amended on 8 October 1991, 23 April 1993, 14 June 1993 and 26 April 2006 and its Articles of Association which were amended on 8 October 1991 and 20 April 2005. The Governors serve under Regulations as revised on 28 November 2018. The School's mission statement is dated September 2011.

Trustees and Governors

The Trustees are responsible for maintaining the objects of the charity, its administration and finances, risk assessment and overall strategy, as well as ensuring that the School complies with company and charity law and regulation. The Trustees appoint the Headmistress. The Trustees have overall responsibility for the School and exercise the oversight of some of the School's educational activities together with the Governors.

The Governors are responsible for the general direction, policies and priorities of the School within the budgets and objectives established by the Trustees. They offer support and guidance to the Headmistress, and also hold the School to account for the quality of education it provides and the standards it achieves. The Governors and Trustees ensure the safety of the School environment and review the effectiveness of the School's child protection policies. Five of the Governors are also Trustees.

Recruitment, Appointment, Induction and Training of Trustees and Governors

The Trustees are responsible for the selection and appointment of new Trustees and Governors. This is a legal responsibility that cannot be delegated, although the Nominations Committee, comprising the Headmistress and Chair of Governors will, after discussion and research, put forward recommendations to the Trustees for new Trustees and Governors to the Trustees. As charity trustees, the Trustees are aware of the importance of identifying the appropriate mixture of skills and experience that they and their successors need to manage the multi-faceted affairs of a modern school which is also a company limited by guarantee, a medium sized business and an important local employer. Each appointment of a Governor or Trustee made by the Trustees is for an initial period of three years, which may be renewed.

To facilitate communication, induction and training at Governor and Trustee level, the Governors' Handbook is regularly updated. The main information section includes the Memorandum of Association, Articles of Association, Mission Statement, Trustees' strategic direction for the period 2017-2019 and for the period 2019-2022, School Operational Targets, Board of Governor Regulations, Governor appointment procedures, training opportunities and training undertaken by both Trustees and Governors over the previous five-year period along with a Code of Conduct.

Roles and responsibilities are covered with main job descriptions and responsibilities including those of the Chair of Trustees, Chair of Governors, Safeguarding Governor, Governors, Headmistress, Deputy Head, Bursar, Senior.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2019

Leadership Team (SLT) and Senior Management Team (SMT). Terms of Reference are included for all committees, along with membership lists and the key policies and documents

All Trustees and Governors are encouraged to attend in-house and external training courses, including those run by the Association of Governing Bodies of Independent Schools (AGBIS). Numerous on-line training courses are also undertaken by the Trustees and Governors.

A list of school policies is available on the School's website. To ensure full compliance with Safeguarding issues the Headmistress, Bursar and two Governors have completed Safer Recruitment Training. There is also a named Governor with lead responsibility for all Safeguarding matters to ensure that the School is fully compliant with all current regulations.

Trustees make available to parents on the School's website a clear and succinct set of replies to questions that parents often ask about governance. The information covering Frequently Asked Questions is provided to enhance communication between Trustees and the parent body and to encourage them to share in the School's vision for the future.

Third Party Indemnity Provision for Trustees

Qualifying third party indemnity provision is in place covering the Trustees of the School.

Organisational management

The Trustees meet as a Board at least three times a year to determine the general strategy of the Charity and review its overall management and control, for which they are legally responsible. Trustees and Governors convene with a separate session for Trustees only. The Trustees and Governors also attend the Annual General Meeting.

There are three sub-committees of the Board of Governors as follows:

1. Education and Staffing Committee - meet once each half term and whose members consider educational and staffing issues. This committee is chaired by Mr Robert Carlisle.
2. Finance and General Purposes Committee - meet before each main Board meeting. The committee scrutinises revenues & expenditures, the budget & reforecasts and capital expenditure. This committee is chaired by Mr Sean Murphy. The Treasurer (the Trustee with responsibility for the supervision of the finances of the School), Mr Keith Wilkins, is a member of the Finance and General Purposes Committee.
3. Health and Safety Committee - meet termly to consider all Health and Safety matters. This committee is chaired by Dr David Harris.

The Key Management Personnel are the Trustees, Governors and the Senior Leadership Team. Day to day management of the School is delegated by the Governors to the Senior Leadership Team as defined on page 2, led by the Headmistress.

Remuneration of Key Management Personnel

Trustees and Governors do not receive any remuneration for their services. The remuneration of the Headmistress and Bursar is set by the Trustees, with the policy objective of ensuring that they are provided with appropriate

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2019

compensation to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the School's success. The remuneration of the rest of the Senior Leadership Team is determined by the Headmistress within the parameters set by the Trustees and Governors. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on the Senior Leadership Team.

Relationships

The School is an active member of the following organisations:

- Independent Association of Preparatory Schools (IAPS) for the promotion and maintenance of preparatory schools generally
- The Independent Schools Association (ISA)
- Catholic Independent Schools Congregation (CISC)
- Independent Schools Council (ISC)
- Independent Schools' Bursars Association (ISBA)
- Association of Governing Bodies of Independent Schools (AGBIS)

The School co-operates with and supports as many charities as possible in its ongoing endeavours to widen public access to the schooling it provides and to awaken in its pupils an awareness of the wider social context of the education they receive at the School.

OBJECTIVES AND ACTIVITIES

The objects are set out in the Memorandum of Association as the promotion and provision of the advancement of Roman Catholic education and the Roman Catholic religion. The School's policy is to enable each child to develop their full potential both academically and socially in accordance with the School's Mission Statement and to prepare them for the senior schools of their choice.

In furthering this objective, the Trustees have complied with the duty in Section 175(5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission concerning the operation of the Public Benefit Requirement under that Act.

When exercising their powers and duties and in particular when setting fees charged by the school and when identifying the benefits provided by the School in relation to its aims, the Trustees seek to achieve a fair balance between benefits provided and the need for the School to maintain a prudent financial position. Bursary funds are limited and those judged most suitable in accordance with the School's Admissions Policy are given priority. The Trustees ensure that beneficiaries are not unreasonably restricted by way of geographical or other restrictions or ability to pay fees such that people with limited financial resources are not excluded from the opportunity to benefit. Any private benefits from the School are purely incidental.

Further information about the public benefits provided by the School are set out in the Strategic Report.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of St Mary's School, Hampstead for the purposes of company law, are responsible for preparing the Trustees' Report, the Strategic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the School's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

MHA MacIntyre Hudson act as auditors under section 485 of the Companies Act 2006. MHA MacIntyre Hudson has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Trustees (who are also company directors) who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that:

- there is no relevant audit information which has not been disclosed to the auditor; and
- each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

ST. MARY'S SCHOOL, HAMPSTEAD

Trustees' Report (continued)

Year ended 31 August 2019

The Trustees' Report was approved by order of the Trustees and signed on their behalf by

A handwritten signature in black ink, appearing to read 'D H Rands', written in a cursive style.

D H Rands
Chairman
4 December 2019

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic Report

Year ended 31 August 2019

The School has chosen, in accordance with Companies Act 2006, S414c(ii), to set out in the School's Strategic Report, information required by Large and Medium sized companies and groups and The Charities (Accounts and Reports) Regulations 2008, (SI2008/629), to be contained in the Directors' Report. It has done so in respect of future developments.

The Trustees have prepared the following strategic report of St Mary's School, Hampstead for the year ended 31 August 2019 in accordance with the Companies Act 2006.

AIM, ACHIEVEMENTS AND PERFORMANCE

St Mary's School, Hampstead aims to provide an education firmly founded on Christ and the Catholic Faith. The achievement of this aim enables the School to fulfil its legal purposes of promoting and providing for the advancement of Roman Catholic education and the Roman Catholic religion.

The School has continued to provide a Catholic preparatory education for girls aged 2 ¾ to 11 and boys aged 2 ¾ to 7. The pupil numbers for the year averaged 299, 53% Catholic (2018: 303, 61% Catholic).

During the year bursaries of £194,605 (2018: £163,920) were awarded in line with the School's policy on financial support. Bursaries and hardship payments are awarded based on financial means testing. The amount awarded to any pupil may vary depending on individual family circumstances and can cover up to 100% of the school fees plus other costs connected to attendance. These awards are reviewed annually. Prospective parents are made aware of the Bursary policy through a variety of ways, including a prominent position on the website.

In setting the fees, the Trustees have had regard to the level of fees that are appropriate for the educational services provided and the ability of parents to be able to pay them. The Trustees have set the amount of fees such that the School is able to produce a surplus which can be employed in providing bursaries to those who could not afford to pay the fees and to fund the use of the School's facilities, resources and staff to provide for the advancement of the objectives and aims of the School and to provide public benefit by other means to members of the wider community.

The Trustees have continued to review the School's activities including revenue and financial, human and physical resources as part of their duties to monitor and ensure that the School's charitable objects and the public benefit are achieved most effectively.

Community activities in the year to 31 August 2019 were wide ranging and to the benefit of both local and international communities.

The School has assisted current potential members of the Roman Catholic Church through preparing 21 children to make their First Confession (2018: 16) and 20 (2018: 16) children to receive their First Holy Communion in the School Chapel. The school holds weekly Masses for whole community, parents, staff and children. There is an Act of Collective Worship everyday which links to the Sunday Gospel reading. The children take part in a service or a Mass each week as well as Hymn Practice. The school has an active prayer council consisting of Year 6 children who promote the Catholic faith to younger members of the school.

The School has provided support and resources to assist the training of individual members of staff of the School and other schools, including organising training for EYFS staff from other local settings to enhance the delivery of their ICT curriculum, supporting EYFS settings to enable them to complete internal moderation and providing work experience to individuals applying for teacher training or undertaking training in other relevant areas. The School

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic report (continued)

Year ended 31 August 2019

loaned its modular staging to a local primary school to enable them to put on a fantastic end of year production.

During the year the School supported the education of three full-time pupils with Education and Healthcare Plans and one part-time pupil (2018: three full-time).

The School encourages charitable activities throughout the year with various fund raising activities. During the course of the year £29,313 (2018: £9,450) was raised through fundraising activities within the School, including by the PTA, for a number of third party charities and appeals. These included The Royal Free Charity, The Ocean Clean Up, CAFOD, Catholic Children's Society, Cancer Research, Cardinal Hume Centre, Hakuna Matata and The Rainbow Trust Children's Charity. In addition, the School undertook a number of charitable collections of food, clothes and shoes. These funds are not accounted for as school funds.

Work by the Bursar and Premises Manager is monitored by the Health and Safety Committee which continues to ensure full compliance with all legislative requirements as well as incorporating rolling repairs with a programme to upgrade facilities on a carefully structured basis. During the year, an exciting new Global Learning Centre was created on the top floor of the School, which is now the centre-piece of the School's STEAM (Science, Technology, Engineering, Art & Maths) learning.

The School continues to develop the religious and pastoral life of the School with the ongoing service and dedication of the Chaplain, Father Chris Connor, in conjunction with the Religious Education Leader of Learning and the support of all staff. In June 2019 the Diocese of Westminster carried out an Inspection to evaluate how effective the School is in providing Catholic education. The Catholic life of the School and the Catholic education it delivers were both found to be outstanding.

Pupils at the School continued to perform at a national level well in excess of the standard expectation for their age groups. The Senior School Entrance Examination results show that the School continues to secure places for their pupils at a wide range of leading London day schools and out-of-London boarding schools. Enquiries for places continue remains high and there are healthy waiting lists for entry to the School going forward. The school is not academically selective but pursues and achieves high academic standards. In 2018-19 many of the Year 6 leavers went on to academically selective schools. All children from Year 1-6 are assessed three times a year using age standardised tests. These show that the majority of children are performing at the national average or above.

St Mary's School, Hampstead staff continue to participate in high quality external Professional Development courses and in-house training. All this serves to enrich the teaching style of the whole School and continues to be an important aspect of the Appraisal Policy. There were five whole School INSET days during the year at which staff training was delivered as well as a regular programme of short-focused training sessions that was delivered during and after school during term-time. Governors and Trustees also participate in internal, external and online training.

Principal Risks and Uncertainties

The Trustees undertake an annual risk review to identify major risks to which the Charity is exposed. This review includes a full evaluation and thorough assessment of the primary risks relating to the key areas of the Charity as defined below and how these risks can be best minimised to reduce their potential impact on the School. Responsibility for detailed monitoring of each of the categories of risk identified is allocated to a committee or retained by the full board of Governors and Trustees. The mitigation activities that have been undertaken in the preceding year in response to the risk are discussed in the meetings of the relevant committee/full board and any additional mitigation activities that are required are detailed and monitored.

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic Report (continued)

Year ended 31 August 2019

The major risk areas are:

- Safeguarding: including Keeping Children Safe in Education, anti-bullying and online safety
- Operational: including Regulatory and Environmental factors
- Financial: including Information Technology and staff compensation factors
- Governance: including a review of Mission / Objects, Governance & Management and External factors
- Personnel: including Staffing, Employment and Academic factors
- Health & Safety: including Fire Risk Assessment / Procedures, Accidents and External events
- Reputation: including Safety, Education and Publicity

The principal risks identified and receiving a high level of mitigation activity concerned the impact of external economic factors and their potential impact on pupil numbers leading to more sophisticated early warning indicators; external catastrophe planning; and recruitment and retention issues.

The Trustees continue to monitor the School's performance in relation to teaching, staff movement, Catholicity and the value added provided by the School.

Fundraising

The School has not undertaken any fundraising for its own purpose in the year to 31 August 2019 (2018 £nil).

FINANCIAL RESULTS

The principal source of funding for the School is School fees, which supports the key objective of providing a Roman Catholic education.

The total incoming resources for the year were £4,476,041 (2018: £4,373,248). The total outgoing resources were £4,325,309 (2018: £4,368,796). The net incoming resources for the year amounted to £150,733 (2018: £4,452). This increase in net incoming resources for the year 2018-19 compared with 2017-18 arose mainly from a larger number than had been expected of Nursery and Pre-Nursery pupils taking up the opportunity to stay for the optional afternoon sessions as well as the mornings, and the release of £42,624 excess provision for Teachers' Pension contributions (see note 9).

At 31 August 2019, the total funds of the School were £5,162,423 (2018: £5,011,690). All the School funds as at 31 August 2019 are unrestricted and are held for use by the School. Its assets are sufficient to meet its obligations. The funds are being used to help finance current and future operational and capital projects.

RESERVES POLICY

Reserves are primarily held to enable the continuity of services and activities undertaken by the School.

Specific reasons to hold reserves are:

- to handle a sudden reduction in income;
- to cover for other key risks crystallising resulting in unplanned expenditure; or
- to take advantage of unexpected opportunities.

ST. MARY'S SCHOOL, HAMPSTEAD

Strategic Report (continued)

Year ended 31 August 2019

In considering the level of reserves that should be held, the Trustees test the policy level against various scenarios to ensure that adequate levels of reserves are held. In doing so, the Trustees have set a target range for free reserves (being total funds less any restricted funds and fixed assets) equivalent to the annual fee value resulting from a drop in pupil numbers of ten to thirty-three percent. At 31 August 2019, this range was between £442,350 and £1,474,500.

At 31 August 2019, the total funds of the School were £5,162,423 (2018: £5,011,690) while the net book value of fixed assets totalled £3,895,510 (2018: £4,105,646) resulting in free reserves of £1,266,913 (2018: £906,044).

The School plans to continue making surpluses to reach the top end of the target for free reserves. In the meantime, the Trustees are satisfied there is adequate working capital for the going concern status of the School to be assured.

PLANS FOR THE FUTURE

The Trustees intend for the School to continually improve its educational offering in line with its objectives and to maximise the benefits it provides to the wider community.

During the year to 31 August 2020, the School plans to continue its programme of refurbishment as well as further enhancing the outdoor environment. In addition, the School plans to further develop the Creative and STEAM curricula and a specialist teacher was appointed in September 2019 to drive this development.

The Strategic Report was approved by order of the Trustees and signed on their behalf by



D H Rands
Chairman
4 December 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY'S SCHOOL, HAMPSTEAD

Opinion

We have audited the financial statements of St Mary's School, Hampstead (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 2019, 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 auditor's report thereon. 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.

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

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ST MARY'S SCHOOL, HAMPSTEAD (continued)**

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective 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.

Auditor's responsibilities for the audit of the financial statements

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

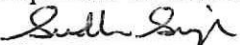
**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ST MARY'S SCHOOL, HAMPSTEAD (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Sudhir Singh, FCA (Senior Statutory Auditor)

For and on behalf of:

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

New Bridge Street House

30-34 New Bridge Street House

London

EC4V 6BJ

20 December 2019

ST MARY'S SCHOOL, HAMPSTEAD

Statement of Financial Activities (incorporating Income and Expenditure Account) for the year ended 31 August 2019

	Note	Unrestricted Total 2019 £	Unrestricted Total 2018 £
Income			
Investment income – interest receivable		15,185	11,441
Donations		7,410	8,409
Charitable activities:			
School operations:	2a		
Gross Fees receivable		4,187,433	4,044,400
Less: Bursaries		(194,605)	(163,920)
		<hr/>	<hr/>
		3,992,828	3,880,480
Ancillary Income	2a	460,619	472,918
		<hr/>	<hr/>
		4,453,447	4,353,398
		<hr/>	<hr/>
TOTAL INCOME		4,476,042	4,373,248
		<hr/>	<hr/>
Expenditure			
Charitable activities:			
School operating costs		(4,325,309)	(4,353,796)
Educational Grants		-	(15,000)
		<hr/>	<hr/>
TOTAL EXPENDITURE	3	(4,325,309)	(4,368,796)
		<hr/>	<hr/>
Net income and net movement in funds for the year		150,733	4,452
Reconciliation of funds			
Total funds brought forward		5,011,690	5,007,238
		<hr/>	<hr/>
Total funds carried forward	10	5,162,423	5,011,690
		<hr/>	<hr/>

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 18 to 28 form part of these Financial Statements.
All income and expenditure arise from the School's continuing operations.

ST MARY'S SCHOOL, HAMPSTEAD


Company No: 2643515

**Balance Sheet
at 31 August 2019**

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	5		3,895,510		4,105,646
Current assets					
Debtors	6	121,571		126,152	
Cash at bank and in hand		2,309,005		2,033,387	
		<u>2,430,576</u>		<u>2,159,539</u>	
Liabilities: Amounts falling due within one year	7	(911,163)		(924,631)	
Net current assets			<u>1,519,413</u>		<u>1,234,908</u>
Total assets less current liabilities			<u>5,414,923</u>		<u>5,340,554</u>
Liabilities: Amounts falling due after more than one year	8	(252,500)		(237,890)	
Provisions for Liabilities	9	-		(90,974)	
Net Assets			<u><u>5,162,423</u></u>		<u><u>5,011,690</u></u>
Funds					
Unrestricted Funds:					
General Funds	10		1,266,913		906,044
Tangible Fixed Assets Fund	10		3,895,510		4,105,646
Total Funds			<u><u>5,162,423</u></u>		<u><u>5,011,690</u></u>

The Financial Statements on pages 15 to 28 were approved by the Board and authorised for issue on 4 December 2019 and signed on its behalf by:

..... 
D H Rands (Chairman)

..... 
K K Wilkins (Treasurer)

The notes on pages 18 to 28 form part of the Financial Statements.

ST MARY'S SCHOOL, HAMPSTEAD
Company No: 2643515
Statement of Cash Flows
at 31 August 2019

	Notes	2019	2018
		£	£
Cash provided by operating activities	14	339,533	361,070
Cash flows from investing activities			
Bank interest received		15,185	11,441
Purchase of Tangible Fixed Assets		<u>(79,101)</u>	<u>(374,575)</u>
Cash used in investing activities		<u>(63,915)</u>	<u>(363,134)</u>
Increase/(Decrease) in cash and cash equivalents in the year		275,618	(2,064)
Total cash and cash equivalents and the beginning of the year		<u>2,033,387</u>	<u>2,035,451</u>
Total cash and cash equivalents at the end of the year		<u><u>2,309,005</u></u>	<u><u>2,033,387</u></u>

The notes on pages 18 to 28 form part of the Financial Statements.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

1. Accounting policies

a. Basis of preparation and Going Concern

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standards applicable to the UK and the Republic of Ireland (FRS102) (effective 1 January 2015) issued on 16 July 2014 and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS102.

The School's key activity of providing a Roman Catholic education is such that fee income represents the majority of the School's income. Fee income is billed approximately six weeks before, and a significant amount is paid by the start of term. Forecasts for 2019/20 have been produced on this basis and provided to the Trustees. No material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern, particularly in the 12 months from the date of the signing of the Financial Statements, have been identified by the Trustees. The functional and presentational currency is sterling and amounts are rounded to the nearest pound.

b. Income

Fees receivable consist of charges billed for the school year 2018/2019. Fees received for education provided in future years are carried forward as deferred income (fees received in advance). Other fee income consists of additional fees from tuition classes, lunches and registration fees which is accounted for on a receivable basis. Donations and income from fundraising activities are recognised when the School has entitlement to the receipt of the income, it can accurately measure the amount and it is probable that the economic benefits associated with the transaction will flow to the School. Donations are recognised on a receivable basis. Fundraising activities undertaken within the School for other Charities are treated as funds held for third parties and any amounts held at the year-end are shown in the balance sheet.

c. Assets

Fixed assets costing more than £1,000 are shown on the balance sheet at cost less cumulative depreciation. Group purchases of IT equipment costing less than £1,000 per item are also capitalised where the estimated life extends over at least 3 years and the value of the group purchase exceeds £1,000. Current assets are shown at the lower of cost and net realisable value.

d. Depreciation

Depreciation is provided on all tangible fixed assets retained for the School's own use, other than freehold land, at rates calculated to write off their cost over their estimated useful economic lives at the following rates, on a straight-line basis:

Freehold buildings	2½% to 10% on cost
Furniture, equipment and IT	20% to 33⅓% on cost

Land is not depreciated.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2019

e. Pension Costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with SORP (FRS102) the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to personal defined contribution pension schemes for staff other than teachers and these contributions are accrued accordingly.

f. Deposits

Deposits are refundable when a pupil leaves the School and are treated as a long term liability upon entry to the School except to the extent that they are due to be repaid within one year of the balance sheet date in which case they are recorded as a current liability. Forfeited deposits are taken to income. Unclaimed deposits are deemed forfeited one year after a pupil leaves the School.

g. Expenditure

Expenditure is recognised on an accruals basis as soon as a liability is considered probable and has been analysed between School Operating Costs and Educational Grants. Expenditure is summarised under functional headings either on a direct cost basis or, for overhead support costs, apportioned according to management estimates of staff time spent. Irrecoverable VAT is included within the item of expenditure to which it relates. Support costs represent school administration costs incurred to support charitable activities and governance.

h. Operating leases

Operating lease costs are written off to the Statement of Financial Activities on a straight- line basis over the lease period.

i. Financial Instruments

The Charity only holds basic Financial Instruments. Financial Instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets or financial liabilities. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including any accrued income) are financial instruments and are debt instruments measured at amortised cost as detailed in note 6. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 7 and 8. Amounts due for taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2019

j. Cash at Bank and in Hand

Cash at bank and in hand includes cash and highly liquid assets with a short maturity of less than twelve months.

k. Corporation Tax

The School is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The School is a registered charity and as such is not subject to taxes on its primary purpose income which is applied in pursuing its charitable objects.

2a. School operation income	2019	2018
	£	£
Gross School fees receivable	4,187,433	4,044,400
Less Bursaries	(194,605)	(163,920)
	<u>3,992,828</u>	<u>3,880,480</u>
Ancillary Income:		
Extras	240,651	262,111
Lunches	197,289	189,278
Registration fees	13,350	15,851
Other	9,329	5,678
	<u>460,619</u>	<u>472,918</u>
	<u>4,453,447</u>	<u>4,353,398</u>

All income in 2018 and 2019 was for unrestricted funds.

2b. Net movement in funds	2019	2018
	£	£
Net movement in funds is stated after charging:		
Auditor's remuneration (including VAT):		
External audit (current year)	13,500	13,320
Operating lease charges	8,288	5,932
Depreciation	289,237	259,632
	<u>311,025</u>	<u>279,284</u>

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2019

3. Charitable Expenditure

All expenditures for the years ended 31 August 2019 and 31 August 2018 was for unrestricted funds.

Analysis of charitable activities expenditure and educational grants:

	Direct Costs £	Support costs £	Total 2019 £
2019 Charitable expenditure -			
Charitable expenditure -			
School operating costs:			
Teaching costs	2,720,967	-	2,720,967
Catering	241,975	-	241,975
Premises	624,221	-	624,221
School administration	338,487	399,659	738,146
	<u>3,925,650</u>	<u>399,659</u>	<u>4,325,309</u>
	Direct Costs £	Support costs £	Total 2018 £
2018 Charitable expenditure -			
Charitable expenditure -			
School operating costs:			
Teaching costs	2,675,647	-	2,675,647
Catering	221,726	-	221,726
Premises	729,779	-	729,779
School administration	<u>262,034</u>	<u>464,610</u>	<u>726,644</u>
	3,889,186	464,610	4,353,796
Educational Grants:			
Roman Catholic state funded school	15,000	-	15,000
	<u>3,904,186</u>	<u>464,610</u>	<u>4,368,796</u>

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2019

3. Charitable Expenditure (continued)

Support costs:	2019 £	2018 £
School administration - staff costs	359,141	421,067
Governance costs:		
Audit fees	13,500	13,320
Legal and professional fees	27,017	30,223
	<u>399,659</u>	<u>464,610</u>
	2019 £	2018 £
Staff costs include:		
Wages and salaries	2,149,280	2,025,923
Social security costs	215,978	203,386
Pension contributions	194,259	236,184
Supply staff costs	296,479	182,174
	<u>2,855,996</u>	<u>2,647,667</u>
Total employee benefits of key management personnel, including employers' pension contributions and employer's national insurance contributions	<u>£332,798</u>	<u>£276,228</u>

The members of the key management personnel are Trustees, Governors and the senior leadership team as listed on page 2. The increase in remuneration in the year 2018-19 compared with the year 2017-18, reflects the recruitment of the Director of Studies from April 2019, a Deputy Head in post for a full year, as well as a full year's impact of the change in remuneration arising from the appointment of the new Bursar in August 2018.

Governors' and Trustees' remuneration and expenses

No remuneration or benefits were provided to any governors or Trustees during the year other than the School purchasing Trustees' and Governors' indemnity insurance to provide cover of up to £1 million. The premium for 2019 was £812 (2018: £946).

In the year to 31 August 2019, five Governors (of which four were also Trustees) were reimbursed £3,225 (2018: £2,679 three Governors, of which all were Trustees) in respect of gifts, travel expenses and dinner with key personnel. In addition, an office storage unit was purchased for one Trustee and Governor amounting to £434, to enable them to store confidential documents relating to the School securely.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2019

The number of employees whose emoluments exceeded £60,000 was:	2019 No.	2018 No.
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£90,000 - £100,000	<u>1</u>	<u>1</u>

These employees are accruing retirement benefits under the Teachers' Pension Scheme, a defined benefit scheme.

	2019 No.	2018 No.
The average number of employees during the year was:		
Teaching	50	55
Other	16	14
	<u>66</u>	<u>69</u>

4. Taxation

Value Added Tax on expenditure is borne in full and is included within the expenditure headings to which it relates.

5. Tangible fixed assets

	Land £	Freehold Buildings £	Furniture & Equipment £	Total £
Cost				
At 1 September 2018	1,000,000	3,548,644	923,028	5,471,672
Additions	-	6,347	72,754	79,101
At 31 August 2019	<u>1,000,000</u>	<u>3,554,991</u>	<u>995,782</u>	<u>5,550,773</u>
Depreciation				
At 1 September 2018	-	1,001,751	364,275	1,366,026
Charge for year	-	113,076	176,161	289,237
At 31 August 2019	<u>-</u>	<u>1,114,827</u>	<u>540,436</u>	<u>1,655,263</u>
Net book value				
At 31 August 2019	<u>1,000,000</u>	<u>2,440,164</u>	<u>455,346</u>	<u>3,895,510</u>
Net book value				
At 31 August 2018	<u>1,000,000</u>	<u>2,546,893</u>	<u>558,753</u>	<u>4,105,646</u>

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2019

5. Tangible Fixed Assets (continued)

The Trustees are of the opinion that the current market value of the freehold land and buildings is significantly in excess of its current book value. This is supported by the valuation of the property by Cluttons in July 2008 which resulted in an existing use valuation (with vacant possession) of £8,250,000 (before Mary Ward Hall build completion).

6. Debtors	2019	2018
	£	£
Fees	44,751	62,644
Other debtors	2,612	1,919
Prepayments	74,208	61,589
	<hr/>	<hr/>
	121,571	126,152
	<hr/>	<hr/>

Fees outstanding are stated after a provision for doubtful debts of £21,365 (2018: £5,000).

7. Creditors: Amounts falling due within one year	2019	2018
	£	£
Trade creditors	84,587	163,586
Fees received in advance	598,237	578,222
Fee deposits	43,233	29,000
Other taxes and social security	55,806	54,183
Accruals and deferred income	102,391	59,995
Pension contributions	17,988	30,723
Other creditors	8,922	8,922
	<hr/>	<hr/>
	911,163	924,631
	<hr/>	<hr/>

Deferred Income	2019	2018
	£	£
Brought forward at 1 September 2018	1,730	1,012
Resources deferred in the year	69,870	1,730
Resources released to SOFA in year	(1,730)	(1,012)
	<hr/>	<hr/>
Deferred Income at 31 August 2019	69,670	1,730
	<hr/>	<hr/>

Deferred income is amounts received from parents in advance in respect of residential trips and for fees in lieu of notice relating to the Autumn term 2019.

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2019

8. Creditors: Amounts falling due after more than one year	2019 £	2018 £
Fee deposits:		
Between 2-5 years	173,000	169,390
More than 5 years	79,500	68,500
	<u> </u>	<u> </u>

9. Provision for liabilities

At 1 September 2018, an amount of £90,974 had been provided for in respect of a liability for employers' contributions to the Teachers' Pension Scheme for part-time peripatetic members of staff who either joined the School or received a new contract after 1 January 2007. During the year the remaining liability was settled with the Teachers' Pension Scheme and an amount of £42,624 was released to the SOFA as excess provision that was no longer required. The amount shown as pension contributions for the year in note 3 is net of this amount.

	2019 £	2018 £
Brought forward at 1 September 2018	90,974	98,451
Released to SOFA in year:		
In settlement of amounts due	(48,350)	(7,477)
As excess provision	(42,624)	-
	<u> </u>	<u> </u>
Provision for liabilities at 31 August 2019	<u> </u> -	<u> </u> 90,974

10. Unrestricted funds

	Balance at 1 September 2018 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2019 £
General funds	906,044	4,476,042	(4,325,309)	210,136	1,266,913
Tangible fixed assets fund	4,105,646	-	-	(210,136)	3,895,510
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,011,690	4,476,042	(4,325,309)	-	5,162,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2019

10. Unrestricted funds (continued)

For comparative purposes the movement on funds in 2017-18 were as follows:

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 August 2018 £
General funds	1,016,535	4,373,588	(4,369,136)	(114,943)	906,044
Tangible fixed assets fund	3,990,703	-	-	114,943	4,105,646
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,007,238	4,373,588	(4,369,136)	-	5,011,690
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The tangible fixed asset fund is represented by the accumulated capitalised expenditure on tangible fixed assets net of depreciation. The amounts transferred in the year represent the net of depreciation, additions and disposals in the year.

11. Operating leases

	2019 £	2018 £
Hire of equipment		
Annual commitments under non- cancellable operating		
Leases:		
Payments due within one year	10,944	5,548
Payments due in one to two years	10,944	828
Payments due in two to five years	6,760	828
	<hr/>	<hr/>

12. Pensions

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £192,844 (2018: £207,287). At the year-end £17,988 (2018: £25,968) was accrued in respect of contributions to this scheme. During the year 2018-19, outstanding liabilities in relation to employer contributions for peripatetic music teachers (see note 9) were settled and excess provision in the amount of £42,624 was released to the SOFA reducing the cost recognised in the SOFA for contributions to the TPS for the year to £150,220.

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for

ST MARY'S SCHOOL, HAMPSTEAD

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 AUGUST 2019

teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, from September 2019 TPS employers pay an increased contribution rate of 23.68% (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers paid the previous rate of 16.48%.

A copy of the latest valuation report can be found at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Defined Contribution Scheme

The School also runs a pension scheme with Standard Life for those members of staff who are not eligible to join the Teachers' Pension Scheme. This is a money purchase scheme. The School contributes between 1% and 12% of an employee's salary, dependent on length of service. The cost for the year represents the School's contribution to the scheme of £44,039 (2018: £28,897). At the year-end £nil (2018: £4,755) was accrued in respect of contributions to this scheme.

ST MARY'S SCHOOL, HAMPSTEAD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2019**

13. Related Party Transactions

P Minns, who retired as a Trustee on 27 June 2019, is a partner in the firm of architects, Patrick Minns Associates. During the year the firm charged the School £nil (2018: £4,783) for services provided. At the year-end £nil (2018: £nil) was due to Patrick Minns Associates and is included in the accounts. This service was provided on an arms-length basis. P Minns was presented with a gift and a plaque was erected in the School to commemorate his service to the School, on the occasion of his retirement.

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

	2019 £	2018 £
Net incoming resources	150,733	4,452
Add: Depreciation	289,237	259,632
Less: Investment income and bank interest	(15,185)	(11,441)
Decrease/(Increase) in debtors	4,581	(66,919)
(Decrease)/Increase in creditors	(89,832)	175,346
	<hr/>	<hr/>
Net cash provided by operating activities	<u>339,533</u>	<u>361,070</u>

