

Charity Registration No. 312999

Company Registration No. 01088993 (England and Wales)

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	N Green (Chairman)	
	P Gilmartin	(Appointed 13 November 2018)
	R Lewis	
	F Ramsey	
	J Cohen	(Appointed 3 January 2019)
	A Sandars	
	S Kavanaugh	
	V M Durham	(Appointed 1 October 2019)
	Mr M Hersheson	(Appointed 1 October 2019)
	R Sherwood	(Appointed 1 October 2019)
	A Waddington	(Appointed 1 October 2019)
	E Coutts	(Resigned 31 July 2019)
	C Arney	(Resigned 1 October 2019)
	I Dagtoglou	(Resigned 1 October 2019)
	J Twining	(Resigned 10 July 2019)
Secretary	E Ghosh	
Charity number	312999	
Company number	01088993	
Principal address	32 Belsize Lane Hampstead London NW3 5AE	
Registered office	66 Prescott Street London E1 8NN	
Auditor	CBW Audit Limited 66 Prescott Street London E1 8NN	

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

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ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2019

The governors present their report and accounts for St Christopher's School (Hampstead) Ltd for the year ended 31 August 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Companies Act 2006 and the "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 (FRS102) (effective 1st January 2015).

Objectives and activities

The aim of the charity is to provide preparatory school education for girls between 4 and 11 years, to provide a secure, friendly learning environment where there is a strong emphasis placed on academic and social development. The school's key objectives are as follows:

- To achieve high academic standards by encouraging independent learning in a stimulating and child-centred environment that fosters our pupils' ability to take their own decisions
- To integrate creativity in all its aspects across the curriculum
- To instil an atmosphere of mutual trust, tolerance and friendship centred around respect – for self, for each other and for the community and environment in which we live and work
- To help our pupils develop over time into responsible, self-confident and aware young people, ready to embrace the challenges of secondary education and the modern world beyond
- To engage with and support the wider community in which the school is located through charitable work, providing access to the school's facilities and resources and providing financial assistance to those who may not otherwise be in a position to benefit from a St Christopher's education

The principal beneficiaries are the school's pupils who are encouraged to take advantage of the broad curriculum which encompasses the arts and sciences, alongside the skills of literacy and numeracy.

Pupils' needs are met by reviewing the curriculum, continuous assessment of their educational and personal development, achievements and regular interaction with their parents.

The charity's medium to long term strategy is to remain a popular choice of independent preparatory school in the area.

Staff are encouraged to keep up to date with educational research and the developing field of information technology and also to ensure pupils are well prepared for the secondary stage of their education. Staff are encouraged to remain forward thinking in all aspects of the curriculum as part of their professional development.

The policies adopted in furtherance of these objectives are determined by the governors. Within these policies the overall management of the school is delegated to the Head. The financial administration is delegated to the Bursar.

Public Benefit

In shaping the objectives for the year, the governors have considered the Charity Commission's guidance on public benefit, including the guidance "Public benefit: running a charity (PB2)". To support the public benefit objectives, the charity supports a number of pupils on means-tested bursaries and the school aims to increase the number of pupils receiving means-tested bursaries within the school.

St Christopher's school supported 4 pupils through its means-tested bursary programme during this financial year (2018: 3 pupils). This support, which is available on a needs basis as determined by the governors, reduced annual fee income in the current year by £55,125 (2018: £38,692). The governors continue to consider bursary candidates for the future.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The School has a long tradition of supporting charities. During the year the School raised £3,230 for charities including Jeans for Genes, NSPCC, DOTS and Marine Conservation Society.

The School hosted an orchestral workshop with the Arensky Orchestra this year and the event was a joint workshop with participants from two local state schools. Both schools found the event very positive and enabled the pupils to have the experience of an orchestra that they may not otherwise have had.

The School funded one of its senior staff to participate in a programme to give Nepalese teachers CPD training for three weeks in Nepal. The experiences she had while there were shared with the pupils as part of a project.

Achievements and performance

Academic

A total of 241 girls were in the school at the end of the accounting period.

Year 6 leavers gained entry to the following senior schools: Channing School, City of London School for Girls, Francis Holland School, Goldolphin & Latymer School, Haberdashers' Aske's, Highbury Fields, Highgate School, King Alfred's School, North London Collegiate, Queen's College, South Hampstead High School, St Margaret's, The Academy and Wycombe Abbey.

Staff

Ms Emma Crawford-Nash resigned due to ill health on the 31 March 2019 and Ms Christine Lough was appointed as Head following her departure.

Ms Sandrine Paillasse has been appointed as Head with effect from 1 September 2020.

Financial review

The results for the year are set out in the Statement of Financial Activities. The year's results included some additional costs for recruitment costs for the new Head and additional staff costs that arose in the absence of the head due to illness.

Reserves Policy

The governors and the staff are committed to a continual process of improving the school's buildings and facilities. As the main building is well over 100 years old, it requires extensive and continual maintenance which can result in substantial unexpected expenditures. Current reserves are at a level to enable the school to continue to maintain the buildings and school grounds and also to comply with its health and safety and statutory obligations and maintain a buffer in case of unexpected expenses or shortfall in income.

The School aims to maintain reserves at such a level to cover one term's expenditure as a minimum, this was constantly maintained this year.

On 31 August 2019 the charity had total reserves of £6,259,873 (2018: £6,097,760) of which £5,015,946 (2018: £5,138,046) was represented by tangible fixed assets (ie. the school premises and equipment) that could only be realised by their disposal. Of these total reserves funds, £Nil (2018: £35,886) were restricted in use to supporting bursaries.

As at the balance sheet date the free reserves (being total reserve funds less tangible fixed assets and restricted funds) were £1,243,927 (2018: £923,828).

Risk Factors

The governors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Board maintains a risk register which is updated and reviewed annually and monitored by the sub-committees and senior leadership team. The key risks for the school include:

- The potential loss of charitable status including the potential loss of charitable business rate relief
- Loss of its strong reputation
- Reduced revenue as a result of lower demand for independent school places
- A safeguarding incident – a key risk for any school with children in its care
- A poor ISI education quality inspection report could threaten the strong academic reputation of the school
- Loss of key school leaders
- Economic downturn means there could be fewer parents able to afford independent schools.

For each risk, mitigating controls are identified and monitored.

Plans for Future Periods

The governors would like the school to continue to remain a popular choice of independent preparatory school in the area.

The objective of the school is, and will remain, the provision of excellent education for young girls with the aim of attaining the key objectives as set out in the objective and activities section.

Structure, governance and management

St Christopher's School (Hampstead) Limited was formed in 1972. The school is a registered charity No. 312999 and a company limited by Guarantee No. 01088993. The school's address is 32 Belsize Lane, London, NW3 5AE. The school's registered office is at 66 Prescott Street, London E1 8NN.

The governors, who are also the directors for the purpose of company law, and who served during the year were:

N Green (Chairman)	
E Coutts	(Resigned 31 July 2019)
C Arney	(Resigned 1 October 2019)
I Dagtoglou	(Resigned 1 October 2019)
P Gilmartin	(Appointed 13 November 2018)
R Lewis	
F Ramsey	
J Cohen	(Appointed 3 January 2019)
A Sandars	
J Twining	(Resigned 10 July 2019)
S Kavanaugh	
V M Durham	(Appointed 1 October 2019)
Mr M Hersheson	(Appointed 1 October 2019)
R Sherwood	(Appointed 1 October 2019)
A Waddington	(Appointed 1 October 2019)

Head

Emma Crawford-Nash (resigned due to ill health on 31 March 2019)

Christine Lough (appointed on 27 February 2019 as acting head and became head following the resignation of Emma Crawford-Nash). Ms Sandrine Paillasse has been appointed as Head with effect from 1 September 2020.

Bursar

Emma Ghosh

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Election of governors

New governors to St Christopher's School are elected by the whole governing body of the School. No person shall be admitted as a member unless they are first approved by the governing body and the governing body has absolute discretion as to the admission of this person. New governors are given an introductory pack by the clerk to the governors (also the Company Secretary) which includes a copy of the Articles, a detailed history of the school, an Application for membership and a Declaration of willingness to act as a governor. The Company Secretary registers new governors online at Companies House.

External Advisers

The school's bankers and professional advisers are as follows:

Bankers	Lloyds Bank Nationwide Building Society
Solicitors	Farrer & Co
Auditors	CBW Audit Ltd
Insurance broker	Aon

Organisational structure and decision making

St Christopher's School is governed by a board of governors. The Board appoints the Head and in consultation with the Head, the Bursar.

The Head reports to the governors at termly Board meetings having sent out a written report on that term's activities. This report and other related matters are discussed at each Board Meeting. The Bursar will refer, on a termly basis, to the Board with financial reports, building reports and any other matters concerning the non-educational aspects of running the school.

The annual audited accounts for St Christopher's School are presented to the Board for their approval. Meetings of the Board are called, when required, over and above the termly Board Meetings.

There are six sub-committees who meet on a termly basis and prepare a report for the Board's consideration. The sub-committees are as follows - Health, Safety and Premises Committee, Finance Committee, Strategy Committee, Safeguarding and Welfare Committee, Education Committee, and a Partnerships and Bursary Committee.

The Head holds weekly meetings with all the teaching staff to discuss the educational running of the school and specific topics. Meetings with senior members of staff are held weekly.

The Head is responsible for the appointment of all staff, other than the Bursar, who is appointed by the governors and who also fills the role of clerk to the governors. The appointment of other members of the Senior Leadership Team, including the Deputy Head is done in conjunction with the Education Committee. The school operates banded salary ranges for teaching staff. The banded ranges are benchmarked against those of other independent schools. This allows the school to retain high calibre staff. All salaries and bands are reviewed annually and any increase is approved by the governors.

The school benefits from its relationship with the Friends of St Christopher's. This is a charity managed and operated by the parents of St Christopher's who generously donate funds for particular projects.

Governors

The governors give their time on a voluntary basis to the governance of the charity. The school governors attend appropriate training according to their skills base.

Auditor

Carter Backer Winter LLP transferred its audit business during the year to CBW Audit Limited, the audit will be re-tendered this year and the successful firm will be appointed at a General Meeting.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

COVID-19

The directors have considered the effect of coronavirus on the going concern status of the school. A review of the financial projections was performed in the context of the provision of online learning and the directors are satisfied that plans for cost reductions plus support from existing reserves mean that there is no issue in respect of the going concern status of the school.

The governors' report was approved by the Board of Governors.

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N Green (Chairman)
Chairman
Dated:

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The governors, who are also the directors of St Christopher's School (Hampstead) Limited for the purpose of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

Opinion

We have audited the financial statements of St Christopher's School (Hampstead) Limited (the 'charity') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, 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 charity 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 governors 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the governors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's 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 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.

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

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

CBW Audit Limited

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**Chartered Accountants
Statutory Auditor**

66 Prescott Street
London
E1 8NN

CBW Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006")

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	3,165	6,868	10,033	19,399
Charitable activities	4	3,588,419	10,250	3,598,669	3,424,339
Investments	5	12,819	-	12,819	8,911
Other income	7	11,816	-	11,816	30,573
Total income	6	3,616,219	17,118	3,633,337	3,483,222
<u>Expenditure on:</u>					
Charitable activities	8	3,413,731	53,004	3,466,735	3,341,498
Other	13	4,489	-	4,489	-
Total resources expended		3,418,220	53,004	3,471,224	3,341,498
Net income/(expenditure) for the year/ Net movement in funds		197,999	(35,886)	162,113	141,724
Fund balances at 1 September 2018		6,061,874	35,886	6,097,760	5,956,036
Fund balances at 31 August 2019		6,259,873	-	6,259,873	6,097,760

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	15		5,015,946		5,138,046
Current assets					
Stocks	17	5,000		5,000	
Debtors	18	1,257,728		1,150,086	
Cash at bank and in hand		2,203,639		1,747,560	
		<u>3,466,367</u>		<u>2,902,646</u>	
Creditors: amounts falling due within one year	19	<u>(2,222,440)</u>		<u>(1,942,932)</u>	
Net current assets			1,243,927		959,714
Total assets less current liabilities			<u>6,259,873</u>		<u>6,097,760</u>
Income funds					
Restricted funds	20		-		35,886
Unrestricted funds			6,259,873		6,061,874
			<u>6,259,873</u>		<u>6,097,760</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The governors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Governors on

.....
N Green (Chairman)
Trustee

Company Registration No. 01088993

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	23		496,370		294,177
Investing activities					
Purchase of tangible fixed assets		(53,110)		(110,522)	
Interest received		12,819		8,911	
Net cash used in investing activities			(40,291)		(101,611)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			456,079		192,566
Cash and cash equivalents at beginning of year			1,747,560		1,554,994
Cash and cash equivalents at end of year			2,203,639		1,747,560

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Charity information

St Christopher's School (Hampstead) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 66 Prescot Street, London, E1 8NN.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Trust deed, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from charitable activities represents amounts receivable for the provision of educational services provided by the charity within the United Kingdom. These are charged on a term basis 3 times a year in advance. Income invoiced in respect of future terms is classified as deferred income.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of governor meetings and the cost of any legal advice to governors on governance or constitutional matters.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land is not depreciated

Freehold buildings 2% Straight line basis

Fixtures, fittings & equipment 25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stock is valued at the lower of cost and net realisable value.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Pupil deposits and fees in advance

The governors have reviewed the contract terms under which pupil fee deposits are held by the School. Although under normal circumstances these will be repaid in future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of deposits held at 31 Aug 2019 has been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

Fees in advance balances are payments for the future provision of education, and are treated as deferred income. Deferred income is not a financial instrument and will be allocated between <12 months and >12 months based on when income will be recognised.

1.12 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.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.13 Retirement benefits

The charity operates defined contribution and defined benefit pension schemes. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

1.14 Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the restricted funds at the present time are for the granting of bursaries to pupils at the school.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Depreciation

The key area of judgment for the governors to consider is that of depreciation and its adequacy. The main asset is the property, and the governors feel that the low depreciation policy is reasonable, considering the fact that the building is well maintained and its residual value is likely to exceed the net book value at the end of its useful economic life. Other assets are depreciated at 25% reducing balance, which is considered adequate for fixtures, fittings and equipment.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Donations and gifts	3,165	6,868	10,033	19,399
For the year ended 31 August 2018	5,171	14,228		19,399

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Charitable activities

	School Fees	Hardship Levy for Bursary fund	Registration Fees	Total 2019	Total 2018
	2019	2019	2019		
	£	£	£	£	£
Charitable activities	3,567,719	-	20,700	3,588,419	3,413,989
Other income	-	10,250	-	10,250	10,350
	<u>3,567,719</u>	<u>10,250</u>	<u>20,700</u>	<u>3,598,669</u>	<u>3,424,339</u>
Analysis by fund					
Unrestricted funds - general	3,567,719	-	20,700	3,588,419	3,413,989
Restricted funds	-	10,250	-	10,250	10,350
	<u>3,567,719</u>	<u>10,250</u>	<u>20,700</u>	<u>3,598,669</u>	<u>3,424,339</u>
For the year ended 31 August 2018					
Unrestricted funds - general	3,394,489	-	19,500		3,413,989
Restricted funds	-	10,350	-		10,350
	<u>3,394,489</u>	<u>10,350</u>	<u>19,500</u>		<u>3,424,339</u>

Deferred income

The deferred income balance at 31 August 2018 was £1,182,354. This was realised in the current year and the balance as at 31 August 2019 was £1,297,750. Both amounts related to income in respect of the ensuing Autumn School Term.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Investments

	Unrestricted funds general 2019 £	Total 2018 £
Interest receivable	12,819	8,911

6 Fees receivable

Fees receivable consist of:

	£
Gross fees	3,607,800
Less: scholarships, bursaries and allowances and bad debts	106,273
	<u>3,501,527</u>

7 Other income

	Unrestricted funds general 2019 £	Total 2018 £
Other income	6,833	26,394
Fee insurance	4,983	4,179
	<u>11,816</u>	<u>30,573</u>

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	2019 £	2018 £
Staff costs	1,899,287	1,805,873
Depreciation and impairment	170,721	175,857
Agency cost	35,877	6,907
Repairs and Maintenance	150,666	152,862
Staff training	21,674	31,439
Catering	208,341	209,236
Educational costs	133,296	135,394
Charitable Donations	3,231	13,704
School trips and staff travel	37,549	36,710
Rates	29,165	28,979
Light, heat and power	14,670	14,479
Insurance	32,948	29,723
Computer software and maintenance costs	18,229	41,599
Other charitable expenditure	39,360	40,983
	<u>2,795,014</u>	<u>2,723,745</u>
Support costs (see note 9)	654,521	602,810
Governance costs (see note 9)	17,200	14,943
	<u>3,466,735</u>	<u>3,341,498</u>
Analysis by fund		
Unrestricted funds - general	3,413,731	3,302,806
Restricted funds	53,004	38,692
	<u>3,466,735</u>	<u>3,341,498</u>

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Staff costs	473,248	-	473,248	458,772
Office support costs	47,027	-	47,027	44,543
Professional fees	96,849	-	96,849	38,277
Other cost	37,397	-	37,397	61,218
Audit fees	-	8,400	8,400	7,940
Accountancy fees	-	7,050	7,050	5,184
Bank and credit card charges	-	1,750	1,750	1,819
	<u>654,521</u>	<u>17,200</u>	<u>671,721</u>	<u>617,753</u>
Analysed between				
Charitable activities	<u>654,521</u>	<u>17,200</u>	<u>671,721</u>	<u>617,753</u>

Governance costs includes payments to the auditors of £8,400 (2018: £7,940) for audit fees.

10 Governors

None of the governors (or any persons connected with them) received any remuneration during the year; however, one governor was reimbursed a total of £Nil in travelling expenses (2018: £1,552).

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Administration	6	6
Teaching	40	36
Domestic	4	4
	<u>50</u>	<u>46</u>

Employment costs

	2019 £	2018 £
Wages and salaries	1,895,200	1,820,331
Social security costs	208,442	194,371
Other pension costs	268,893	249,943
	<u>2,372,535</u>	<u>2,264,645</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	4	3
£80,001 - £90,000	1	-
£130,001-£140,000	-	1
	<u>-</u>	<u>1</u>

The key management personnel of the School comprise the Head, the Deputy Head and the Bursar. Their remuneration and benefits in the year totalled £314,126 (2018: £329,972). This year's costs include additional accommodation costs associated with the Interim Head.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Pension and other post-retirement benefit commitments

(i) Defined Benefit Schemes

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £196,041 (2018: £181,078) and at the year-end £0 (2018 - £0) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

(ii) Independent Schools' Pension Scheme

The company has a residual ongoing liability to a defined benefit pension scheme in respect of a former employee. The company participates in the scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. 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.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Pension and other post-retirement benefit commitments

(Continued)

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.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. 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 as follows:

Deficit contributions

From 1 September 2019 to 31 August 2030:

£2,387,357 per annum

(payable monthly, 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.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision:

	2019 £	2018 £
Present value of provision	24,591	14,303

Reconciliation of opening and closing provisions:

	2019 £	2018 £
Provision at start of period	14,303	15,598
Unwinding of the discount factor	268	232
Deficit contribution paid	(1,246)	(1,210)
Remeasurements - impact of any change in assumptions	1,105	(317)
Remeasurements - amendments to the contribution schedule	10,161	-
Provision at end of period	24,591	14,303

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Pension and other post-retirement benefit commitments (Continued)

(iii) Defined Contribution Schemes

The school participated in other defined contribution schemes for non teaching staff.

	2019 £	2018 £
Contributions payable by the company for the year	72,851	68,864

13 Other Expenses

	Unrestricted funds	Total
	2019 £	2018 £
Net loss on disposal of tangible fixed assets	4,489	-
	4,489	-

14 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

15 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2018	6,056,031	1,175,786	7,231,817
Additions	-	53,110	53,110
Disposals	-	(7,980)	(7,980)
At 31 August 2019	6,056,031	1,220,916	7,276,947
Depreciation and impairment			
At 1 September 2018	1,167,173	926,598	2,093,771
Depreciation charged in the year	97,367	73,354	170,721
Eliminated in respect of disposals	-	(3,491)	(3,491)
At 31 August 2019	1,264,540	996,461	2,261,001
Carrying amount			
At 31 August 2019	4,791,491	224,455	5,015,946
At 31 August 2018	4,888,858	249,188	5,138,046

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16	Financial instruments	2019	2018
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	1,170,799	1,068,594
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	2,161,722	1,935,298
		<u> </u>	<u> </u>
17	Stocks	2019	2018
		£	£
	Books and teaching materials	5,000	5,000
		<u> </u>	<u> </u>
18	Debtors	2019	2018
		£	£
	Amounts falling due within one year:		
	Trade debtors	1,170,799	1,068,261
	Other debtors	-	333
	Prepayments and accrued income	86,929	81,492
		<u> </u>	<u> </u>
		1,257,728	1,150,086
		<u> </u>	<u> </u>
19	Creditors: amounts falling due within one year	2019	2018
		£	£
	Other taxation and social security	60,718	7,634
	Trade creditors	91,352	60,054
	Other creditors	2,014,682	1,830,999
	Accruals and deferred income	55,688	44,245
		<u> </u>	<u> </u>
		2,222,440	1,942,932
		<u> </u>	<u> </u>

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Restricted funds

General restricted funds represents funds received from donors which are earmarked for the granting of bursaries to pupils at the school.

	Movement in funds			Balance at 31 August 2019
	Balance at 1 September 2018	Incoming resources	Resources expended	
	£	£	£	£
General Restricted Funds	35,886	17,118	(53,004)	-
	<u>35,886</u>	<u>17,118</u>	<u>(53,004)</u>	<u>-</u>
	<u><u>35,886</u></u>	<u><u>17,118</u></u>	<u><u>(53,004)</u></u>	<u><u>-</u></u>

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Restricted funds

(Continued)

	Movement in funds - prior year			Balance at 31 August 2018
	Balance at 1 September 2017	Incoming resources	Resources expended	
	£	£	£	£
General Restricted Funds	50,000	24,578	(38,692)	35,886
	<u>50,000</u>	<u>24,578</u>	<u>(38,692)</u>	<u>35,886</u>

21 Unrestricted funds

General funds are available for use at the trustees' discretion.

	Movement in funds			Balance at 31 August 2019
	Balance at 1 September 2018	Incoming resources	Resources expended	
	£	£	£	£
General Fund	6,061,874	3,616,219	(3,432,373)	6,259,873
	<u>6,061,874</u>	<u>3,616,219</u>	<u>(3,432,373)</u>	<u>6,259,873</u>

	Movement in funds - prior year			Balance at 31 August 2018
	Balance at 1 September 2017	Incoming resources	Resources expended	
	£	£	£	£
General Fund	5,906,036	3,458,644	(3,302,806)	6,061,874
	<u>5,906,036</u>	<u>3,458,644</u>	<u>(3,302,806)</u>	<u>6,061,874</u>

22 Related party transactions

During the year, the school received £3,165 in donations from Friends of St Christopher's School (Hampstead) Limited (2018: £5,171) – this is a parent's association which assists in providing facilities for education not normally covered by the school's funds.

ST CHRISTOPHER'S SCHOOL (HAMPSTEAD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23	Cash generated from operations	2019 £	2018 £
	Surplus for the year	162,113	141,724
	Adjustments for:		
	Investment income recognised in statement of financial activities	(12,819)	(8,911)
	Loss on disposal of tangible fixed assets	4,489	-
	Depreciation and impairment of tangible fixed assets	170,721	175,857
	Movements in working capital:		
	(Increase) in debtors	(107,642)	(51,693)
	Increase in creditors	279,508	37,200
	Cash generated from operations	<u>496,370</u>	<u>294,177</u>