

ST PAUL'S CATHEDRAL CHOIR SCHOOL
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

Charity no. 312718

ST PAUL'S CATHEDRAL CHOIR SCHOOL
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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ST PAUL'S CATHEDRAL CHOIR SCHOOL
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES

Chapter of St Paul's Cathedral:
The Dean, the Very Rev'd Dr David Ison
The Rev'd Canon James Milne (installed 9/05/2019)
The Rev'd Canon Tricia Hillas (resigned 16/02/2020)
The Rev'd Canon Jonathan Brewster
The Venerable Sheila Watson
Dr Paula Gooder (installed 9/05/2019)
Mr Gavin Ralston (resigned 31/01/2019)
Ms Pim Baxter
Ms Sheila Nicoll

GOVERNORS

The Dean, the Very Rev'd Dr David Ison (Chair of Governors)
The Rev'd Canon James Milne (appointed 9/05/2019)*
The Rev'd Canon Tricia Hillas (resigned 16/02/2020)
Mr Gavin Ralston *V
Mrs Jill Aisher X
Col Edward Yorke*
Mr Ian Wilson *
Mrs Jane Sladdin #
Mrs Hatty Morley #
Mr Mark Coote *
Ms Pim Baxter

*Member of the Finance and General Purposes Committee
V Chair of Finance and General Purposes Committee
Member of the Education Committee
X Chair of Education Committee

HEADMASTER

S Larter Evans BA (Hons), PGCE, FRSA

BURSAR

Mr Martin Kiddle

CATHEDRAL REGISTRAR

Ms Emma Davies

CATHEDRAL DIRECTOR OF MUSIC

Mr Andrew Carwood+
+in attendance at all Governing Body meetings

REGISTERED OFFICE

2 New Change
London
EC4M 9AD

CHARITY REGISTRATION NUMBER

312718

ST PAUL'S CATHEDRAL CHOIR SCHOOL
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2019

BANKERS

Lloyds TSB Bank plc
PO Box 18436
1st Floor
39 Threadneedle Street
London

SOLICITORS

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 8BB

Veale Wasbrough Vizards LLP
Barnards Inn
86 Fetter Lane
London
EC4A 1AD

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

INSURERS

Ecclesiastical Insurance Office plc
Beaufort House
Brunswick Road
Gloucester
GL1 1JZ

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2019, prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Statement of Recommended Practice and the Charities Act 2011.

STATUS AND ADMINISTRATION

The Cathedral Church of St Paul in London (St Paul's Cathedral), operates St Paul's Cathedral School under Statute XVI of the Instrument established for St Paul's Cathedral dated 13 May 2000 and updated thereafter. The statute sets down the objectives for the school and the powers and procedures by which Chapter will ensure the proper management of the School. The role of the Cathedral is as the seat of the Bishop of London and a centre for worship and mission. On 1 September 2005 an Instrument of Delegation delegated responsibility for the governance of the School to a Governing Body (the current members of which are listed on Page 3 of this document).

The School, which is unincorporated and has charitable status, has its affairs overseen by a Trustee body. The Trustees of the school are the Chapter of St Paul's Cathedral. The Chapter of St Paul's Cathedral have a representation on the Governing Body, which consists of up to 12 members. The Body has a Finance and General Purposes Sub-Committee, an Education Committee and working parties which are set up as the need arises. The Governors delegate day to day management responsibilities to the Headmaster and Senior Management Team which includes the Bursar, Director of Studies, Deputy Head Pastoral, Deputy DSL and Head of Pre Prep.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The School is governed by its Instrument of Delegation, which came into effect on 1 September 2005 and is subject to a five yearly review with a cancellation clause.

Governing Body

The Governing Body, when complete, consists of The Dean and 4 members of Chapter, and 7 lay governors. The initial lay governors were appointed by the Chapter, in consultation with the Headmaster, but lay governors are now elected at full Governors' meetings. Lay governors are appointed according to the specialist skills they can offer. Mr Ian Wilson joined the Finance and General Purposes Committee effective May 2019. Canon James Milne joined the Governing Body after his installation as Precentor in May 2019 and subsequently joined the Finance and General Purposes Committee. The Cathedral and School have begun work to review the constitution of the Governing body within the Instrument of Delegation, and aim to separate the role of the Dean from that of Chair of Governors and to reconsider the terms and effect of the Instrument of Delegation.

Trustee and Governor Training

New trustees and governors are inducted into the working of the School by the Headmaster and Bursar, and are regularly updated through briefings at the School and external trustee and governor training courses. Canon James Milne took over the role of Safeguarding Governor after a period of training and induction.

The Governors meet at least three times a year to determine the general policy of the School and to review its overall management and control. The work of overseeing the implementation of most of the Governing Body's policies is carried out by the Finance and General Purposes Sub-Committee, which meets before each meeting of the full Governing Body and at other times as required.

The Governors' Education Committee continued to monitor the progress of departmental and staff peer reviews.

St Paul's Cathedral School is an active member of the Independent Association of Preparatory Schools (IAPS), for the promotion and maintenance of preparatory school standards generally, and of the Choir Schools Association. It also takes part in peer-group studies for the evaluation of quality and performance improvement methods. The school is also a member of the Independent Schools Bursars' Association, giving it access to the latest financial and management developments in the education sector.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' REPORT (continued)

By co-operating with local charities and state schools, the School endeavours to widen public access to the schooling it provides, and to awaken in the pupils an awareness of the social context of the education they receive at the School. See public benefit below.

Risk Management, and principal risks and uncertainties

A detailed Risk Management assessment is prepared annually for Governors to include both internal and external factors that may impact on the operation. Their likelihood and potential impacts are assessed and any required action is formulated. The main risks under consideration include trends with respect to pupil numbers. These are monitored and the number of current applications were compared to previous years. Currently there are three to four applicants per available place. With respect to stock market volatility and its impact on investments the school receives and acts upon advice from the Cathedral Investment Advisory Committee. Currently the School's investments are managed by CCLA. The proximity of St Paul's Cathedral and other City Institutions means that the school is located in a sensitive and high profile area with respect to possible terrorist activity. Staff receive regular briefings from City of London Police specialists and attend the Cathedral Security Advisory group meetings to ensure they are up to date with the latest advice and amend any emergency procedures as appropriate. Robust plans are in place for dealing with emergencies that may arise either internally or externally to the school.

Day to day health and safety is monitored by the school Health and Safety Committee who are supported by PIB Risk Management Advisors. This committee reports directly to the F&GP Committee including an annual review of all accidents involving pupils. As part of their annual review PIB will look at all of the required inspection reports which include PAT testing, fire and smoke alarm test, gas safety checks and kitchen equipment servicing. The School Building project commenced in July 2019 and will cause disruption to normal school life for up to 18 months. The project cost is expected to be £7.9 M with a commitment by the School to this cost of a maximum of £2.26m. The school has made contingency plans to mitigate the impact on project delays and the financing of the project as a result of the COVID 19 lockdown. Future budgets and forecasts have been updated to reflect the possible impacts on income and pupil numbers as a result of the COVID pandemic: increased marketing and other mitigation measures are in place, and the Governors will keep the situation under regular review.

The financing of the building project will lead to a fall in the level of the School's reserves from 2020/21 onwards but the Governors will maintain the reserves at prudent levels in line with their reserves policy.

CHARITABLE OBJECTS

St Paul's Cathedral School exists for the education, nurture and care of the choristers of St Paul's Cathedral. It also has a responsibility to educate such other pupils between the ages of four and thirteen as can be properly accommodated from time to time within the school.

Aims and Principles

St Paul's Cathedral School is a Christian, co-educational community where the values of love, justice, tolerance, respect, honesty, service and trust are encouraged and practised to promote positive relationships throughout the school community.

The school aims to instil a love of learning through a broad curriculum. It aims to give each pupil the opportunity to develop intellectually, socially, personally, physically, culturally and spiritually. All pupils are encouraged to work to the best of their ability and to achieve standards of excellence in all of their endeavours.

Through the corporate life of the school and through good pastoral care, the school encourages the independence of the individual as well as mutual responsibility. It aims to make its pupils aware of the wider community and encourages a close working relationship with parents and guardians.

Principal Activity

St Paul's Cathedral School's principal activity continues to be the provision of education in a boarding environment for the St Paul's Cathedral choristers, of which there can be up to 36. In order to deliver a financially viable curriculum and to create a more balanced school environment for the choristers, it educates approximately 220 day children from the ages of 4 to 13.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' REPORT (continued)

Objectives for the Year

The Governors' main objective continues to be to educate all the School's pupils to at least the same high standard achieved in previous years, so that they will be able fully to benefit from their chosen senior school for the completion of their education in due course. Our strategy for achieving this is to maintain a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs. The School's building development of a new boarding block will also allow improvements to staff accommodation and the creation of new classroom space.

Public Benefit

The Trustees are aware of the Guidance issued by the Charity Commission under the Charities Act 2011 in relation to Public Benefit and are mindful of their obligations to have regard thereto. The Trustees are confident the Charity's activities are in pursuit of its objects and are delivering public benefit. This is achieved by the provision of education for the choristers and school bursaries to fund the education of non-chorister pupils whose parents would not normally be able to fund the required fees. The boarding fees of choristers are partly funded by the Chorister Trust. Choristers are offered a place based on their singing ability and personal attributes only.

During 2019, six day-pupils received support for part or all of their fees from the Bursary Fund and 17 choristers received support from the Chorister Trust (see notes 11 and 14 to the accounts). Two pupils received financial assistance in order to be able to participate in school trips, including trips abroad, which they otherwise would not have been able to do. The Trustees and Governors over recent years have worked to ensure that any fee increase is kept to a modest level, but the increase in the required employer's contribution to TPS from 16.34% to 23.6% effective from September 2019 meant the increase had to be 5% for the 2019/20 academic year.

Governors continue to encourage the school to take every opportunity to diversify their activities in the area of education, particularly in regard to the provision of musical opportunity to as wide a public as possible.

In 2015, the Cathedral appointed an Outreach Officer, initially to go into state schools in London to promote the playing of the organ. The project has grown, and as part of its remit, the cathedral choristers contribute to education days in the Cathedral where they perform for large groups of school children drawn from East London in particular. Members of the music staff seek to share the experience of singing at St Paul's with children in more than 30 schools per year, successfully reaching and recruiting choristers from diverse and deprived backgrounds. In addition, the outreach work actively support the CPD of music teachers in partner schools.

During 2019, the school raised money for Jeans for Genes, Children in need, Christmas Jumper Day – Save the Children, Christmas Service – Great Ormond Street Hospital, Comic Relief, RBL Poppy Appeal, World Book Day, Summer Concert Donation – Sponsor a guide dog puppy.

During the year a joint orchestral day involving three schools, was held at St Giles, Cripplegate.

The School continues to develop its network of primary educators in the state maintained sector (primary) to share professional development, such as through collaborating with subject cluster groups, for example in modern foreign languages. In addition, the Head is a member of the City of London's Head Teachers' Forum, a group of head teachers from across the City of London (both maintained and independent), who to share information, best practice and, where possible, resources. With the appointment of a new Head of Sport we are now actively planning for widening our sports participation to include maintained primary schools within our fixtures and tournaments. The School continues its partnership with the Royal College of Music whereby undergraduate musicians experience music teaching in a school setting.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

During the year there were on average 30 boy choristers aged between 7 and 13, 172 day pupils of the same ages, and 60 pre-prep children aged between 4 and 7 on the school's roll. The whole school is mixed, although there are fewer girls than boys in the main school. At the end of 2019 there were 114 girls in the school (2018: 113).

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' REPORT (continued)

Pupils in the school again achieved excellent music exam results with nearly 170 exams taken, 67% of which were at merit or distinction level. Twelve regular instrumental ensembles and five choirs rehearsed weekly. Nine internal concerts were held, and an additional sixteen other public performances given.

Since the appointment of Mr Mark Kennedy as Director of Music, who joined us from Westminster Cathedral Choir School, the school's Chamber Choir is being trained to sing occasional offices in the Cathedral.

Many trips within London and beyond were taken including outings to the many museums and galleries close to the school, and a successful annual Year 7 week-long trip to Maison Claire Fontaine in France.

All of the leavers of 2018-19 went on to good senior schools: leavers were offered 5 academic, 10 music, 1 sport, 1 art, 1 drama scholarships or exhibitions, a Head's prize and substantial bursaries were offered. This achievement has been helped greatly by the high-quality teaching staff we have been able to retain and recruit in the face of intense competition from other London schools and who continue to maintain high standards in an increasingly competitive market for senior school places in London and elsewhere.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school generated net income during the year of £1,668,136 (2018: £546,422) representing 30.79% (2018: 12.9%) of total revenues. However this included £956,996 of restricted income of which £956,047 was donations for the School Building project. Pupil numbers averaged 257 in 2019 (2018: 250), ensuring the school made an unrestricted operating surplus in excess of £541,444 (2018: £548,180) being 12% (2018: 13%) of total unrestricted revenues. The surplus was achieved after charging depreciation for the year of £60,147 (2018: £61,551). Capital expenditure for 2019 was split between £2,252,934 for the school development project, £12,218 for ICT, and for fixtures and fittings £13,378.

In the year £73,562 (2018: £78,113) has been set aside as Designated Funds. These have been designated by the Governors for the purpose of awarding bursaries to day pupils. The sum is made up of income from the School Capital Fund (£28,133) and 6% of the previous year's Unrestricted Fund surplus (£32,891), plus a further £12,538 from the current year surplus was required to clear the deficit in the Bursary Fund.

In accordance with the conditions of the Instrument of Delegation and Financial Memorandum adopted by the school, the school's initial unrestricted reserves were fixed at £400,000 at 31 December 2005 and a reserves policy was introduced based on unrestricted reserves being a minimum of 20% of annual fees. The School has continued to secure an annual operating surplus since 2005, taking unrestricted reserves to £4,937,234 (2018: £3,439,743). Over the last 5 years the Trustees have continued to increase unrestricted reserves to enable the school to finance a significant portion of the planned school development project.

Under the same financial agreement the Cathedral transferred to the school the "School Capital Fund" and the School Scholarships, Prizes and Bursaries Fund (known as the Prizes Fund) on 31 December 2005 amounting to £615,000. At the end of 2019 these endowment funds stood at £1,063,353 (2018: £893,657) and the accumulated restricted income arising from the latter endowment stood at £35,825 (2018: £34,876) held as a cash balance.

Reserves Policy

The Trustees will seek to maintain a minimum level of unrestricted reserves equivalent to 25% of one year's running costs, defined as expenditure on charitable activities. At 31 December 2019, unrestricted reserves are £4,937,234 or 126% of the 2019 school expenditure on charitable activities (£3,916,180) (2018: 94% of running costs of £3,675,601). Governors have agreed that some of these reserves can be used to finance the forthcoming School building project. As at the end of 2019 a commitment of £2,750,000 has been made.

Senior management remuneration policy

The remuneration of the Headmaster and Bursar is set by the Governors.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' REPORT (continued)

FUNDRAISING POLICY

The School fundraises primarily from institutions, trusts and foundations, together with occasional event-based fundraising and individual donations.

The charity does not engage in cold-calling or street-based fundraising or use third party fundraisers. The school has not received any complaints in the year in connection with the propriety of its fundraising.

The School takes all reasonable steps to treat donors fairly, enabling them to make informed decisions about any donation. This includes taking into account the needs of any potential donor who may be in vulnerable circumstances or require additional care and support to make an informed decision.

The charity has fundraising costs of less than £100,000; hence it has not been asked to register with the Fundraising Regulator and, in view of the nature of the fundraising undertaken, the charity has not to date registered voluntarily.

FUTURE PLANS

In December 2016 the School was granted planning permission to build a new Boarding House, expand the dining area and create extra classrooms by rehousing the resident staff in the existing Boarding House. This work commenced in July 2019 and the new boarding facilities are expected to be on stream by the end of 2020.

This will enable the school to expand its pre prep department and to provide some additional specialist classrooms and secure boarding accommodation of the required standard for many years to come. It will also enable us to continue our key objective of educating our pupils to the same high standards, or higher, as in previous years.

The Trustees remain confident that St Paul's Cathedral School will be a going concern for the next 12 months and beyond. There are long waiting lists for the next four years for both the 4+ and 7+ entry points, and once the Pre-Prep has grown to two form entry, the 7+ entry point may have to be restricted. Budgets and forecasts have been updated to reflect the impact of the Covid 19 virus (see post balance sheet events note below).

Investment Powers and Trustees' Authority

The school is wholly owned by the Cathedral Church of St Paul in London. It is therefore subject to the Cathedrals' Measure 1999 in addition to charity law. Trustees may invest funds in any of the following:

- i) Land
- ii) Funds administered for the Central Board of Finance of the Church of England
- iii) Investments in which trustees may invest under the general powers of investment in the Trustees Act 2000
- iv) The improvement of development or property belonging to the Cathedral

The Investment Policy for School funds must meet the requirements of the CBF Church of England Ethical Policy.

The Trustees regularly consider the performance by its investment manager and of the investments held. The Trustees consider, supported by an independent review, that performance is satisfactory.

Post Balance Sheet Events

As a result of the Government COVID-19 lockdown the school was closed to pupils on 19th March 2020. Since Monday 23rd March 2020 the staff have been providing on-line support for all pupils. The support is by a mixture of live on-line lessons and on-line tasks. Each day is structured to correspond as closely as possible to the school timetable. In line with Government guidance, pupils from Reception Year 1 and Year 6 returned to school on 8th May 2020.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

TRUSTEES' REPORT (continued)

Governors decided to offer parents a 10% discount on fees for the Summer term 2020 and have stated that fees will be held at current levels until at least January 2021.

The contractors for the school development project closed the site between 3rd April 2020 and Monday 18th May 2020 as a result of the Government lockdown and the impact on their ability to operate.

The six week cessation of activity will result in a delay in the original completion date. Governors are content that there are procedures in place to mitigate the impact of any delay upon the school.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

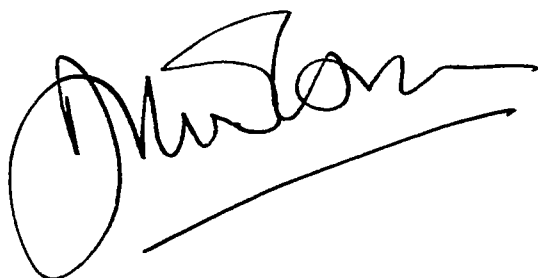
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing 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 accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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 Charities Act 2011 and regulations made thereunder. 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.

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

Approved by the Board of Trustees on Monday 19th October 2020 and signed on its behalf by:



The Very Rev'd Dr David Ison
Trustee and Chairman of Governors

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of St Paul's Cathedral Choir School for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet 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 charity's affairs as at 31 December 2019 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We 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. 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees 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 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 trustees either intend to liquidate the charity 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.

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.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 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 Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ST PAUL'S CATHEDRAL CHOIR SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted £	Restricted £	Endowment £	Total 2019 £	Total 2018 £
Income from:						
Donations		1,190	956,047	-	957,237	24,135
Investments	3	40,996	2,776	-	43,772	39,190
<i>Charitable activities:</i>						
School fees	2a	4,075,292	-	-	4,075,292	3,769,644
Other ancillary income	2b	326,584	-	-	326,584	389,266
Other trading	2c	13,562			13,562	15,564
Total income		<u>4,457,624</u>	<u>958,823</u>	<u>-</u>	<u>5,416,447</u>	<u>4,237,799</u>
Expenditure on:						
Charitable activities		-3,916,180	-1,827	-	-3,918,007	-3,675,601
Total Expenditure		<u>-3,916,180</u>	<u>-1,847</u>	<u>-</u>	<u>-3,918,007</u>	<u>-3,675,601</u>
Net income excluding investment gains		541,444	956,996	-	1,498,440	562,198
Net gains on investments		-	-	169,696	169,696	-15,776
Net income		541,444	956,996	169,696	1,668,136	546,422
Transfers between funds		<u>956,047</u>	<u>-956,047</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in fund		1,497,491	949	169,696	1,668,136	546,422
Reconciliation of funds						
Total funds brought forward	9-11	<u>3,439,743</u>	<u>34,876</u>	<u>893,657</u>	<u>4,368,276</u>	<u>3,821,854</u>
Total funds carried forward		<u>4,937,234</u>	<u>35,825</u>	<u>1,063,353</u>	<u>6,036,412</u>	<u>4,368,276</u>

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

Notes 1 to 14 form part of these accounts.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

BALANCE SHEET

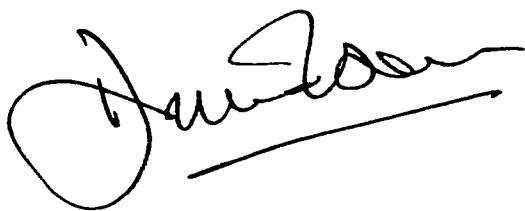
AT 31 DECEMBER 2019

	Note	Total 2019 £	Total 2018 £
FIXED ASSETS			
Investments	9	1,063,353	893,657
Tangible assets	6	3,439,971	1,216,598
TOTAL FIXED ASSETS		<u>4,503,324</u>	<u>2,110,255</u>
CURRENT ASSETS			
Debtors	7	121,519	118,055
Cash at bank and in hand		2,679,595	2,891,516
TOTAL CURRENT ASSETS		<u>2,801,114</u>	<u>3,009,571</u>
Creditors: amounts falling due one year	8	(1,268,026)	(751,550)
NET CURRENT ASSETS		<u>1,533,088</u>	<u>2,258,021</u>
NET ASSETS		<u>6,036,412</u>	<u>4,368,276</u>
FUNDS			
Endowment funds	9	1,063,353	893,657
Restricted funds	9	35,825	34,876
Unrestricted funds	10	4,937,234	3,439,743
TOTAL FUNDS		<u>6,036,412</u>	<u>4,368,276</u>

Notes 1 to 14 form part of these accounts.

These financial statements were approved and authorised for issue by the Board of Trustees on 19th October 2020

Signed on behalf of the Board of Trustees:



The Very Rev'd Dr David Ison
Trustee

ST PAUL'S CATHEDRAL CHOIR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Accounting Basis

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment assets and comply with applicable law, and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011.

The financial statements have been drawn up using the going-concern basis as the Trustees, after the review of relevant budgets and forecasts, have a reasonable expectation that the organisation will continue in operational existence for a minimum of twelve months from the date of the signing of the accounts.

Fees and Similar Income

Fees receivable for the provision of education and charges for services and use of premises are accounted for in the period when the school is entitled to receive them, they can be measured and the receipt is probable. These are included in income from charitable activities. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted funds, but include contributions received from Restricted Funds for scholarships, bursaries and other grants.

Donations are also accounted for on a receivable basis although in practice the criteria of entitlement, measurement and probability are frequently only met at the point of receipt.

Expenditure

Expenditure is accounted for on an accruals basis. VAT is included with the item of expense to which it relates. Approximately 65% of support costs are spent in direct support of teaching activity and the remaining 35% on welfare and premises support. Depreciation on the school minibus is included in support costs.

Teaching Materials

Supplies of games equipment, books, stationery and sundry materials are written off to the Statement of Financial Affairs as soon as the expenditure on procuring them is incurred.

Depreciation

Depreciation of other assets is provided at rates calculated to write off the excess of cost over estimated residual amount evenly over the estimated useful economic lives of each class of asset, subject to annual review.

These rates are currently as follows:

Buildings improvements and extensions	10-20 years
Furniture and equipment	3-10 years

Pension Schemes

The School contributes to the Teachers' Pension 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 Charity. In accordance with FRS102 the Scheme is accounted for as a defined contribution scheme, whilst it is a defined benefit scheme. Contributions are accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The St Paul's Cathedral Final Salary Pension Scheme ceased taking further contributions in May 2007 and under the arrangement made with the Cathedral the School is not required to make further contributions.

The School also contributes to a defined contribution scheme with AVIVA. The scheme is available to all employees. The assets of the scheme are held separately in independently administered funds.

For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

Taxation

The School is a registered charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

Cashflow Statement

In accordance with the provisions of FRS102 section 1.12 a cash flow statement has not been prepared as the School's cash flows are included in the consolidated financial statements of St Paul's Cathedral.

Investments

All investments are revalued annually at open market value. Any unrealised change in value since the date of acquisition or the last balance sheet date is credited or charged to the Statement of Financial Activities. Any realised gain or loss (calculated as net sales proceeds less value at the last balance sheet date, or cost if acquired during the year) is also credited or charged to the Statement of Financial Activities.

Cash at Bank and in Hand

Cash at Bank and in Hand includes funds held on short term deposits. All the funds on Deposit are for less than 3 months and allow immediate access.

Funds

Funds are classified between restricted and unrestricted in accordance with the legal constraints on their use, and the consequent degree of flexibility which the Trustees have on using the income that gave rise to the funds.

Restricted Funds

These are funds subject to specific conditions or trusts, which are binding on the Trustees. The restriction may be on income or capital or both.

Unrestricted Funds

These are all funds other than endowment and restricted funds and include funds designated for a specific purpose by the Trustees.

Designated Funds

These are funds allocated to the Bursary Fund and are made up of Income from the Capital fund plus 6% of the prior year's Unrestricted surplus and fund from the current year surplus sufficient to ensure the fund is not in deficit.

Critical accounting judgments and sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2a. FEE INCOME	2019 Total £	2018 Total £
Gross school fees	4,168,438	3,885,991
Less discounts	(19,584)	(38,234)
Less total bursaries and prizes	(73,562)	(78,113)
Net fees receivable	4,075,292	3,769,644
Add: bursaries and prizes funded by restricted funds	-	-
	<u>4,075,292</u>	<u>3,796,644</u>
2b. OTHER ANCILLARY CHARITABLE INCOME		
Extras	268,084	266,135
Registration fees	18,200	25,550
School trips	21,386	53,626
Other	18,914	32,455
	<u>326,584</u>	<u>377,766</u>
2c. OTHER TRADING		
Music and uniform sales	8,642	6,295
Other	4,920	9,269
	<u>13,562</u>	<u>15,564</u>
3. INVESTMENT INCOME		
Investment Income from Capital Fund	28,133	27,442
Investment Income from Scholarship and Prizes Fund	2,776	2,707
Interest on Cash Deposits	12,863	9,041
	<u>43,772</u>	<u>39,190</u>
4. EXPENDITURE		
Charitable expenditure includes:		
Depreciation	60,147	61,551
Auditors' Remuneration – fees payable to the charity's auditor for the audit of the charity annual financial statements.	10,320	10,320
	<u></u>	<u></u>
Total Staff Costs comprised:		
Wages and Salaries	2,216,125	2,175,081
Social Security Costs	205,123	214,696
Other Pension Costs	282,375	234,715
	<u>2,703,713</u>	<u>2,624,492</u>

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

4. EXPENDITURE (continued)

	2019 No.	2018 No.
The average number of employees in the year:		
Teaching	33	30
Music	20	22
Teaching assistant	12	13
Domestic	8	8
Administration	5	5
	<u>78</u>	<u>78</u>

38 (2018: 35) of the above employees are members of a defined contribution scheme. The total cost of the contributions to this scheme made by St Paul's Cathedral School for these employees was £51,404 (2018: £49,700).

The number of higher paid employees	2019	2018
£60,000 - £70,000	3	1
£80,000 - £90,000		1
£90,000 -£100,000	1	
Aggregate employee benefits of the Senior Management Team	£360,768	£317,091

The Governors received no remuneration or other benefits for the current or previous years. The governors made aggregate donations to the charity of £nil (2018 nil).

5. ANALYSIS OF TOTAL EXPENDITURE

2019	Staff Costs £	Other £	Depreciation £	Total £
Education:				
Teaching	2,212,802	174,665	28,773	2,416,240
Welfare	96,504	328,692	-	425,196
Premises	141,167	407,071	31,374	579,612
Support costs	258,247	192,937	-	451,184
Governance costs		45,775		
	<u>2,708,720</u>	<u>1,149,140</u>	<u>60,147</u>	<u>3,918,007</u>
2018	Staff Costs £	Other £	Depreciation £	Total £
Education:				
Teaching	2,163,637	146,944	29,202	2,339,783
Welfare	92,147	325,082	-	417,229
Premises	132,422	311,786	32,349	476,557
Support costs	251,684	177,195	-	428,879
Governance costs	-	13,153	-	13,153
	<u>2,639,890</u>	<u>974,160</u>	<u>61,551</u>	<u>3,675,601</u>

Support costs include the costs of the five administrative staff of the school. Other support costs relate to expenses involved in the support of Teaching, Welfare and Premises.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

6. TANGIBLE FIXED ASSETS	Building improvements £	Fixtures, fittings and equipment £	2019 Totals £
Cost or Valuation			
At 1 January 2019	2,334,825	591,377	2,926,202
Additions	2,257,925	25,595	2,283,520
As 31 December 2019	<u>4,592,750</u>	<u>616,972</u>	<u>5,209,722</u>
Depreciation			
At 1 January 2019	1,198,286	511,318	1,709,604
Charge for the year	31,926	28,221	60,147
At 31 December 2019	<u>1,230,212</u>	<u>539,539</u>	<u>1,769,751</u>
Net Book Value			
At 31 December 2019	<u>3,362,538</u>	<u>77,433</u>	<u>3,439,971</u>
At 31 December 2018	<u>983,753</u>	<u>38,061</u>	<u>1,021,814</u>

The freeholds of the St Paul's Cathedral School and St Augustine's House, New Change, London EC4M 9AD are owned by the Cathedral Church of St Paul in London. Accordingly they are not shown on the School's balance sheet.

7. DEBTORS	2019 £	2018 £
Amounts falling due within one year		
School fees	(1,546)	(1,839)
Amounts owed by The Chapter		
Accrued Income	99,652	84,243
Other Debtors	23,413	35,651
	<u>121,519</u>	<u>118,055</u>
8. CREDITORS	2019 £	2018 £
Amounts falling due within one year		
Trade Creditors	164,879	163,392
Accruals and Deferred Income	375,640	268,789
Due to The Chapter	727,508	319,369
	<u>1,268,026</u>	<u>751,550</u>

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

9. INVESTMENTS / FUNDS

The Investment funds (Capital and Scholarships Funds) are under the management of CCLA Investment Management Ltd and consist mainly of quoted equities. There were no additions and disposal in the year

Endowment funds - 2019	Cost	Capital Fund	Scholarship & prizes fund	Total £
Investments at 1 January 2019	601,940	813,408	80,249	893,657
Revaluation in the year		154,455	15,241	169,696
Investments at 31 December 2019	<u>601,940</u>	<u>967,863</u>	<u>95,490</u>	<u>1,063,353</u>
Investment assets in the UK 31 December 2019				455,211
Investment assets outside the UK 31 December 2019				608,142
Restricted fund (held as cash) - 2019				<u>1,063,353</u>
Cash balances 1 January 2019				34,876
Net income for the year				949
At 31 December 2019				<u>£35,825</u>

As at the time of signing the accounts the value of Investments was not materially different from the year end. No disposals or acquisitions have been made since the year end.

Endowment funds - 2018	Cost	Capital Fund	Scholarship & prizes fund	Total £
Investments at 1 January 2018	601,940	827,767	81,666	909,433
Revaluation in the year	-	(14,359)	(1,417)	(15,776)
Investments at 31 December 2018	<u>£601,940</u>	<u>£813,408</u>	<u>80,249</u>	<u>893,657</u>
Investment assets in the UK 31 December 2018				445,657
Investment assets outside the UK 31 December 2018				448,000
Restricted fund (held as cash) - 2018				<u>893,657</u>
Cash balances 1 January 2018				20,858
Net income for the year				14,018
At 31 December 2018				<u>34,876</u>

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

School Capital Fund

Income generated by the Capital Fund may be drawn down by and utilised by the Governors for specific purposes for the benefit of the school and is therefore recognised in unrestricted funds. Further details are given in notes 10 and 11. 50% of the Capital of the Fund is available to be borrowed by the Governing Body for specific purposes for the benefit of the School.

School Scholarship and Prizes Fund

The income from the Scholarships, Prizes and Bursaries Fund will be applied by the Governing Body to award prizes and scholarships at their discretion, and is therefore recognised in unrestricted funds. No capital was transferred to Unrestricted Reserves in the year.

10. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR 2019

	General	Designated Income from Capital Fund	Designated School Bursary	Total
	£	£	£	£
At 1 January 2019	3,439,743	-	-	3,439,743
Surplus/(deficit) for the year	586,873	28,133	(73,562)	541,444
Designation in the year (note 11)	(32,891)	(28,133)	61,024	-
Further transfer required	(12,538)	-	12,538	-
Transfer from restricted funds	956,047	-	-	956,047
At 31 December 2019	<u>£4,937,234</u>	<u>-</u>	<u>-</u>	<u>4,937,234</u>

UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR 2018

	General	Designated Income from Capital Fund	Designated School Bursary	Total
	£	£	£	£
At 1 January 2018	2,891,563	-	-	2,891,563
Surplus/(deficit) for the year	598,851	27,442	(78,113)	548,180
Designation in the year (note 11)	(21,069)	(27,442)	48,511	-
Further transfer required	(29,602)	-	29,602	-
At 31 December 2018	<u>3,439,743</u>	<u>-</u>	<u>-</u>	<u>3,439,743</u>

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 DESIGNATED FUNDS

Income from School Capital Fund

In 2009, Governors, with the agreement of the Trustees, voted to transfer some or all of the income from the Capital Fund each year to the Bursary Fund in order to build this up for future use, this arrangement has continued and remains unchanged. Hence in 2019 all of the income was transferred to the bursary funds as shown in note 10.

School Bursary Fund

Since 2010 the Bursary Fund has been an Unrestricted Designated Fund. The Fund assists day children parents who find themselves in financial difficulty during their child's stay in the school and it is hoped to extend this assistance to new families in the future. 6% of each year's Unrestricted Fund surplus is put aside for this purpose. In 2019 the sum was £32,891 (6% of the 2019 unrestricted surplus of £541,180) plus the income from the Capital Fund (£28,133) which is transferred to the Bursary Fund mentioned in Note 9 above making £61,024. A further transfer of £12,538 had been to make up the shortfall between the recurring transfers and the total bursaries awarded of £73,562.

The Governors have agreed that Finance and General Purposes Committee will be responsible for overseeing the award of grants.

12 ULTIMATE PARENT

The Charity's controlling entity is the Corporation of the Cathedral Church of St Paul in London. The parent undertaking of the smallest and largest group which includes the Charity and for which group accounts are prepared is St Paul's Cathedral. Copies of the Cathedral's financial statements may be obtained from The Chapter House, St Paul's Churchyard, London EC4M 8AD.

As a wholly-owned operation within the entity of St Paul's Cathedral the charity has taken advantage of the exemption in FRS102 section 33 Related Party Disclosure not to disclose transactions with the Cathedral.

13 STAFF PENSIONS

Teachers

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 £225,609 (2018: £190,625) and at the year-end £nil (2018: £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. 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.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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 or any additional past benefit pension costs is included in these financial statements.

Other Staff

Defined Contribution Scheme: 38 non-teaching staff participate in the defined contribution scheme run by St Paul's Cathedral with Aviva for its staff. The assets of the scheme are held in independently administered funds. The pension charge for 2019 includes contributions payable to the scheme of £51,404 (2018: £52,721)

Final Salary Pension Scheme: four non-teaching staff participated in the St Paul's Cathedral Final Salary Pension Scheme which closed to service accrual 15th May 2007. According to the terms of the Instrument of Delegation, all administration costs of the Cathedral Pension Schemes will be borne by St Paul's Cathedral and a direct extract from Cathedral accounts for pensions reads:

'Although closed to service accrual, the retirement benefits for members of this Scheme are based on employees' final remuneration and the length of service to 1 May 2007. The pension cost is assessed in accordance with the advice of an independent actuary using the projected unit method on the basis of an annual valuation and charged to the Statement of Financial Activities as described below.

The three-yearly actuarial valuation of the Scheme as at 30 September 2016 was completed during 2017. The funding plan is for the Scheme to hold assets to the value of the benefits using the methodology as set out in the Scheme's Statement of Funding Principles. This valuation showed the Scheme had a target level of assets of £28.7 million. After taking account of its assets of £26.0 million, the Scheme had a deficit of £2.7 million which means its funding level was 91% in September 2018. However, by the time the valuation had been completed on 9 November 2017, the Trustee determined that the Scheme was expected to have a small surplus owing to improvements in financial markets and further contributions paid by the Cathedral. As a result of the surplus in the Scheme, the Trustee determined that no further contributions would be needed from the Cathedral before 30 September 2019 when the next three-year actuarial valuation is due.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 RELATED PARTY TRANSACTIONS

During the year the St Paul's Cathedral Chorister Trust contributed £98,235 (2018: £84,146) towards the Boarding fees of 18 (2018: 17) choristers.

The Governors made aggregate donations to the school of £nil.

15 CAPITAL COMMITMENTS

The school has a building contract with Borrás Construction Ltd for the construction of a new boarding house, the refurbishment of staff flats, school dining room and the creation of 3 new classrooms. The contract value is £5,693,678 plus VAT. The Gross Valuation at 17/12/2019 was £1,776,974 (£2,132,368 inc VAT) leaving a balance of £3,916,704 (£4,700,448 inc VAT) to be invoiced in 2020. There were no other capital commitments at 31/12/19.

16 POST BALANCE SHEET EVENTS

On the 19th March the School closed to all pupils as a result of the Government COVID lockdown. The School was opened in line with guidance to a limited number of pupils from Reception, year 1 and year 6 on 8th May 2020. Governors discounted the fees to all pupils for the summer term 2020 by 10%.

In September 2020 the parent Charity, St Paul's Cathedral entered into a loan agreement with Lloyds Bank plc, to fund the completion of the building project, for £2.5m. The school will be responsible for the debt servicing costs. For the first 12 months repayments will be interest only.