

ST PAUL'S SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Registered Company Number: 06141973
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ST PAUL'S SCHOOL

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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At the end of 2020, I will be retiring as Chair of Governors at St Paul's School. It has been a great honour to have served the School in this role. I am delighted to be handing over the baton to Richard Cassell, who is both a Mercer and an Old Pauline.

This has been a year of both challenges and successes.

January 2020 saw the release by the LSCB of the Serious Case Review (SCR) report on St Paul's. We fully supported the LSCB in their assessment of the historic cases of abuse and their scrutiny of our modern inter-agency working, and we will continue to support survivors. We have worked hard to ensure that our current safeguarding systems and culture are amongst the best in the country. That said, we are not, nor will we be, complacent. Safeguarding of current pupils has been and will be our top priority. We remain deeply sorry for the abuses that took place and the suffering this has caused and we are determined to ensure that we never forget the lessons from our past.

February 2020 saw the successful completion of the General Teaching Block Phase 2 which concluded the complete rebuilding of the Senior School. As you will have heard before, this was necessitated by the 1960s School buildings being no longer fit for purpose. Under the High Mastership of Professor Bailey assisted by his Project Director, Ms Hayley Richardson, we have created modern, inspiring buildings which will last well into the next century. With this part of the Rebuilding Master Plan now complete, our new High Master can turn her attention to a new Junior School, a new West Pavilion and, further into the future, teacher accommodation and a new boarding house.

Sadly, only a short period after occupying the new building, all pupils were sent home in March 2020 and moved to online learning due to the national lockdown in response to COVID-19. All at the School responded outstandingly to this challenge, by providing quality remote learning alongside welcoming and educating key worker children on site. The remote nature of the provision for most pupils during the summer term meant that we were able to make cost savings which were passed back to parents via a 14% fee rebate for the term. The impact on the School's finances due to the national lockdown was to reduce our operating surplus from £1,659,000 in 2018-19 to £145,000 in 2019-20.

During the period of national lockdown, over 80 payment plans were arranged and families experiencing financial hardship were invited to apply for access to a Hardship Fund. Parents were given the opportunity to donate their 14% rebate to this fund and we are so very grateful that £270,000 was raised, including gift aid. So far £66,000 of this money has been distributed to 11 families in the summer term and 12 in the autumn term. The remaining funds are being held for future applications during 2021 as we, hopefully, work our way out of the impact of the pandemic.

The generosity of parents in responding to the Hardship Fund is reflective of the St Paul's community's overall response to the launch of the £20m Shaping our Future fundraising campaign. As we move into the third year of this five-year campaign, we have so far raised £10.2m in donations and pledges, with the majority of the donations going towards our bursary target of £9.9m. For 2020-21, we have risen to 129 pupils on means tested bursaries. A sliding scale of awards from 5% - 100% means that families who were once the traditional lifeblood of the School are still able to manage fees. We currently have 103 pupils in receipt of bursaries of over 75% of fees. I am delighted that we now have in place a quality Development and Engagement team, led by Ellie Sleeman, for whom no words of praise can be sufficient thanks for her contribution to our School.

We have also sought to grow our partnership work this year. The pandemic has emphasised the importance of such work but also made it more challenging to implement. St Paul's has helped to establish the new West London Partnership, a collaboration of nine local secondary schools on both sides of the river, promoting both existing cross sector partnership work and new initiatives. Existing programmes have gone on line with great success (over 600 students and teachers, from across the UK and further afield, took part in the science summer school, for example) and St Paul's is pioneering some virtual mentoring for both primary and secondary pupils with a potential reach way beyond West London.

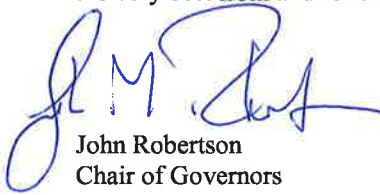
From an academic perspective, 2020 has been a year like no other and, in August 2020, results were awarded through Centre Assessed Grades and not the normal public exams process. However, they remain a fair reflection of the efforts and abilities of the St Paul's pupils. At A Level and Pre-U, 56% of grades awarded were A* (or equivalent) and 89% were A* or A (or equivalent). At GCSE 70% of grades awarded were at Grade 9 and 92% were Grade 8 or 9. As ever our aim has been to educate well beyond the assessed syllabus and encourage all of our pupils to achieve their personal aims whilst fostering a culture of scholarship, creativity and enquiry.

ST PAUL'S SCHOOL

CHAIR OF GOVERNING BODY'S STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

In the Autumn of 2020, 43 Old Paulines began courses at Oxford and Cambridge colleges, with 132 (75% of the cohort) attending other Russell Group universities, 25 heading to the U.S. for further education and five to other international institutions. The School continues to attract the brightest and most intellectually able pupils through its gates. Crucially, we are also able to recruit and retain an outstanding academic staff, who, over the past year, have worked tirelessly to achieve the very best from and for their pupils.



John Robertson
Chair of Governors

9 December 2020

STRATEGIC REPORT

OBJECTS, AIMS AND OBJECTIVES

Charitable Objects

The objects of the School, as stated in its governing document, are:

- To promote in Greater London the education (including social and physical training) of girls and boys and in particular but without prejudice to the generality of the foregoing to conduct and maintain schools in or near to Greater London for girls and boys; and
- To pursue the objects of the School by running a boys' school and only educate members of the opposite sex with the prior written consent of, and subject to, any restriction imposed by the Mercers' Company.

Aims and Intended Impact

The School has a strong academic tradition which it is committed to maintaining. The School aims to provide an excellent all-round education for able boys, which includes scholarship, breadth and balance in the curriculum, the highest standards of pupil welfare and a wide programme of varied sporting, artistic and extra-curricular activities.

In the furtherance of these aims the Governors, as the charity trustees, confirm that they have complied with the duty in Part 2(17) of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance on public benefit.

Aims of the School

- To provide an outstanding intellectual, spiritual and physical education, combining tradition with the best of the present, which prepares boys for their future.
- To honour John Colet's founding commitment that St Paul's is open to academically eligible boys, regardless of their economic or social circumstance.
- To foster a culture of scholarship, and to develop a spirit of enquiry and curiosity, through inspirational and responsive teaching.
- To provide a structure of individual and pastoral care that promotes a boy's independence, whilst fostering respect, kindness and service.
- To develop and maintain the School's facilities in order to ensure that the physical environment of St Paul's sustains the excellence of its education.
- To build substantive links with the local community through Pauline voluntary service, partnership programmes and the sharing of facilities.

Objectives to Achieve the Aims for the Year

The School's key objectives for the year and performance against them are shown below:

Academic and Pastoral

1. Review and strengthen the academic structures within the School and between St Paul's School (SPS) and St Paul's Juniors (SPJ), and the development of an enriching curriculum between NC Years 7 to 9.

Partially completed. SPJ have carried out a survey of U3rd and Junior School examinations and improvements / changes are being discussed. Ongoing collaborative work continues across both parts of the School with shared observations and carousel training sessions. A pilot leadership course was run with staff from SPJ and SPS. There has been close collaboration regarding the approach to remote learning e.g. the whole School use of Google Classroom and Google Meet and access to IT guidance and training.

2. Introduce a portal for use by pupils and the new Extra Curricular Activities (ECA) scheme in SPJ.

Completed. SPJ is now in the second year of using a portal for pupil reflection and target-setting. Problems with its usage have dampened enthusiasm and a shared Google document is now being explored that follows the pupil through the School.

STRATEGIC REPORT

OBJECTS, AIMS AND OBJECTIVES (continued)

Objectives to Achieve the Aims for the Year (continued)

3. Review the 5th and 6th Form curriculum in SPS in time for the introduction of any changes for 2021-22.

Partially completed. The Academic and Pastoral Committee have had initial discussions. There is plenty to recommend the present structure with perhaps a looser control of whether pupils take 10 or 11 GCSE's. A survey of other schools has raised interest in other courses which may be examined either internally (local qualifications), externally (an intermediate EPQ) or not at all (a general studies type course). These potential courses are being investigated and, in some cases, visits are being arranged to other schools.

4. Articulate and actively promote a simple set of values - respect, kindness, humility and service - across both schools through assemblies and PSCH.

Completed. The SPJ values have been promoted consistently amongst existing and prospective pupils and parents. SPS have held targeted assemblies on values which have been linked to religious assemblies and have promoted a kindness initiative. The Thomas Clarkson award and whole School charity initiatives have also been promoted. A new Pauls4All tie has been created for students that have been outstanding in voluntary service and six were awarded for the first time at an 8th Form assembly in February 2020.

Community/Partnership

5. Deliver on the KPIs for the five year £20m 'Shaping our Future' fundraising campaign.

Completed. The £20 million Shaping Our Future campaign was publicly launched in May 2019. To date £7.4m has been raised in income and pledges which represents the majority of the £10.4m target for bursaries and partnerships with a £9.6m fundraising target for Building to Inspire over the next five years. See the Fundraising Practices section of the Governors' Report for further information.

6. Achieve the target of creating a more active community by the end of the 2019-20 academic year among the 19,000-strong community by engaging an average of 25% of the total group via an annual programme of events and talks. Focus on the engagement of priority groups through an active volunteer base in a manner that reflects the School's core values and objectives.

Completed. Over 200 events were delivered and supported attracting over 5,200 guests before the cancellation of events due to COVID-19. St Paul's Connect, the School's networking and mentoring platform, has grown to almost 1,900 members with an increase of 221 registrations since the start of lockdown. The St Paul's Connect App was launched in April 2020. During lockdown, a series of virtual events were held to engage with the wider community through a variety of offerings including teaching masterclasses, wine and ale tastings, coffee mornings, 'Spotlight on Old Paulines', topical talks and classical concerts.

7. Continue with the roll out of the new School brand identity, including a new website and a detailed plan for sharing messages around our bursary and partnership work.

Completed. The Pauline and Atrium Magazine (formerly Old Pauline News) were moved across to the new brand style in October 2019. The SPJ website was updated in November 2019. The new School website was launched in December 2019 and the Old Pauline Club site in February 2020. A marketing plan has been implemented to increase the number of strong applicants at 16+ and bursary applications at 16+ transferring from the state sector. A new Partnerships and Charities brochure was produced in January 2020 showcasing the School's work in this area and bookings for partnership activities can now be made online through the new website. Regular social media content has been maintained throughout the COVID-19 pandemic showcasing the School's partnership support for local charities and its virtual co-curricular work. The School has re-joined the London Fee Assistance Consortium to promote the School's bursary offering.

STRATEGIC REPORT

OBJECTS, AIMS AND OBJECTIVES (continued)

Objectives to Achieve the Aims for the Year (continued)

8. Explore and plan a new local area partnership model with SPGS and identified local state schools to incorporate the existing 'partnership' work, the West London Schools' Entrepreneurs' Partnership, and the new Y12 Friday afternoon programmes, including ways of improving the recording and evaluation of programmes.

Completed. A Memorandum of Understanding has been agreed and a permanent umbrella group created for partnership work between four local independent schools and four state schools. Its purpose is to create enduring institutional partnerships and to promote successful initiatives, whilst avoiding duplication. A programme for 2020-21 has been agreed. Entrepreneurship will form the central part of student collaboration in year one alongside some light touch staff CPD and better coordination of existing partnership and outreach work. Support with IT hardware has been provided to partner schools during the COVID-19 epidemic. Partner schools also participated in a virtual entrepreneurs programme for Year 11.

9. Develop and embed a new system for supporting local charities across the whole School - including parents' groups - to ensure a transparent and fair process of selecting partners, based on local need and the opportunity for Pauline involvement.

Completed. The St Paul's Charity Committee, made up of stakeholders across both SPS and SPJ (staff, pupils and parents), meets bi-annually to ensure the coordination of fundraising for external charities and also to select local charities to be supported with fundraising, facilities and volunteering. Four local charities were selected in year one (City Harvest, Thames 21, Castelnau and FiSH) with various partnership events and assemblies organised to support the charities. Local hospitals were supported with PPE equipment during the COVID-19 crisis and support was also provided for the elderly and vulnerable via a local pen pal scheme. Provision was provided for the supervision of key work children during the Easter 2020 holidays and lockdown. This was attended by approximately 25 children daily (mostly children from other schools).

Operations and Finance

10. Complete General Teaching Block (GTB) Phase 2 on budget and decant the senior school into the new facilities.

Completed. Practical completion of GTB Phase 2 was obtained in February 2020 and the decant programme was completed in March 2020. The project is currently significantly under budget and the final account negotiations are in progress.

11. Prioritise the remainder of the Master Plan in light of the remaining funds now available.

Completed. The SPJ Pavilion was completed and opened in December 2019. The Junior School rebuilding project has been deferred due to the COVID-19 pandemic. Thomas Clarkson House (the staff accommodation project) has also been deferred although sufficient work was carried out during the year to secure planning. The West Substation project is in progress and will provide power to the SPJ Pavilion and possible new temporary accommodation for the Junior School. Initial works have also been approved on the West Pavilion such that this can be taken to planning in December 2020. A major donor has been secured for this project.

12. Manage the operational transition of the catering contract and KPI's to provide consistency across the provision.

Completed. The handover of the catering contract from Holroyd Howe to CH & Co took place in August 2019. Weekly meetings are held between the Catering Manager, Operations Director and Operations Administrator to review the day-to-day operations and termly meetings have taken place to review KPI's. The quality of the food provided has improved throughout the year following feedback. There were some initial issues with the offer and pricing of hospitality but these have now been resolved. The Litmus Partnership were also commissioned to carry out a review of the pricing and contract to date. The School's catering facilities remained open during lockdown for essential services and key worker children and a shop was provided for staff to purchase essential items.

STRATEGIC REPORT

OBJECTS, AIMS AND OBJECTIVES (continued)

Objectives to Achieve the Aims for the Year (continued)

13. Develop business plans for the expansion of lettings/events, safeguarding and mental health training, and eTechnology.

Not completed. During the first half of the 2019-20 financial year, there was an opportunity-led increase in commercial lettings but this ceased until the COVID-19 pandemic and lockdown halted all external lets. A business development consultant was appointed on a 6-month contract to establish internal systems and structures for marketing, handling and delivering internal lettings. The consultant was also tasked with developing basic systems for commercial lets from marketing to after sales feedback – booking system, calendar, approvals and contracts etc. The ongoing COVID-19 uncertainty has placed these plans on hold. This objective has therefore been carried forward to 2020-21.

14. Agree a fee strategy for 2019-25 and embed a culture of cost control and new revenue generation throughout the School.

Partially completed. A fee strategy was discussed by the Finance Committee and full Governing Body in November and December 2019. Following the outbreak of COVID-19 and closure of the School in March 2020 to all but children of key workers, a fee rebate of 14% was announced for the Summer term 2020 based on agreed budget savings. Support of families experiencing hardship was also announced and payment plans were agreed with over 80 families for the settlement of the Summer term 2020 fees. Parents were notified of a 0% fee increase for the 2020-21 academic year and staff were informed that there would not be a cost of living salary increase and that the teaching pay spine would be frozen. The further likelihood of financial difficulties, and further potential fee rebates if there is a further lockdown during 2020-21, will inform a flexible approach to the fee strategy in the short term.

15. Explore and develop ways in which the staff and student body can work together to ensure our carbon footprint, as a School site and as individuals, is as neutral as possible.

Completed. A SPS Eco Society has been established which is regularly blogging and organising speakers. An Environmental Group has also been established with stakeholder groups from SPS and SPJ teaching, administration and the pupil body being represented. This group is the key mechanism to deliver this objective. Its focus is to reduce the School's carbon footprint and to work collaboratively across the senior and junior schools. The Eco Society has submitted regular proposals to the group for new initiatives on topics such as food waste and transport.

In accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, the School's energy usage and emissions for the year ended 31 August 2020 were as follows:

UK energy use in kWh	5,254,277
Associated Greenhouse Gas emissions in Tonnes CO ₂	1,075
Intensity ratio (kilogram of CO ₂ per meter squared of gross internal area)	36.27

UK energy use covers all of the School's educational and operational activities. Associated Greenhouse Gas emissions have been calculated in accordance with the Defra 2020 conversion sets methodology.

The School has contracted 100% Renewable Energy Guarantees of Origin (RIGO) backed electricity across all School electricity supplies in a positive shift towards reducing Greenhouse Gas emissions. Gas metering has been equipped with Automatic Meter Reader data collection. Both of these will enable the School to visualise energy consumption, identify potential waste and reduce consumption. The School has heavily invested in building improvements including LED lighting, the replacement of the Building Management System, replacement boilers and solar PV in a bid to reduce energy consumption and emissions of CO₂. Other initiatives are currently under review.

STRATEGIC REPORT (continued)

ACTIVITIES

Review of Achievements and Performance for the Year

In addition to the specific aims and objectives for the year, below are some key outcomes in relation to the operational (educational) performance of the School together with outstanding pupil achievements in 2019/20.

Operational Performance of the School

Public examination results were exceptional, due to the industry, ability and determination of pupils together with the dedication and expertise of staff. At A Level, 52% of entries attained an A* grade and 84% of all grades were at A*A before re-marks. 98% of the 2019 leavers went to university and 56% to universities ranked in the QS World top 20 universities. 13% of the cohort study at universities abroad, including Harvard, Chicago, Columbia and Yale. Oxford, Cambridge, Imperial College, Durham, Bristol, Edinburgh and UCL were the most popular UK destinations in rank order. 52 took up places at Oxbridge. At GCSE and IGCSE, 70% of all grades were at level 9, and 92% of all grades were the equivalent of the old A*.

Since 2011 the School has been engaged in a rolling programme to replace or extensively refurbish its 1960s buildings, which have reached the end of their original lifespan. Following the provision of a new Science building (2013) and new Drama Centre (2015), the first phase of the replacement of the Senior School's General Teaching Building was occupied in November 2017. This year a new pavilion for St Paul's Juniors was completed, providing sports changing, teaching space and opportunity for community use close to the 3G pitch facility. The final phase of the new General Teaching Building was completed and occupied in March 2020, which provided a further 25 classrooms, a chapel, secular hall, atrium, changing areas and administrative offices. This marks the end of the first and main phase of the redevelopment Masterplan, at which point the School has spent a total of £112m between 2011 and 2020 with just £15m of debt. The School has acquired a further £35m on the private placement market to fund the final phase of the Masterplan, which involves the rebuilding of the Junior School, staff accommodation and a replacement boarding house. Design work is advanced on the junior school, and the staff accommodation block is ready for construction.

Applications to the School at the main entry points of 7+, 11+, 13+ and 16+ remain high. The number of pupils on bursary support has roughly doubled in the past five years, and in May 2019, a major fundraising campaign was launched to raise £3.3m per annum for bursaries by 2023 to support the present bursary pupils and to expand the provision further in future. The pupils of the School fundraise each year for a bursary for a boy entering at 11+. The School partnership and public service programme has been expanded, providing extension lessons for able pupils from local primary schools and also opportunities for Paulines to work with local community groups.

Outstanding Achievements 2019/20

Academic (SPS)

Biology – 30 Paulines won medals, 11 of them gold, in the British Biology Olympiad, organised by the Royal Society of Biology. This placed St Paul's as the top performing school in the UK for the fifth time since 2013. Edward Nutt (U8th) was invited to take part in the second round of the competition to select the UK team for the International Biology Olympiad.

Chemistry – 148 Paulines (90% of the A Level Chemistry cohort) entered the first round of the Royal Society of Chemistry's UK Chemistry Olympiad competition, winning 69 bronze awards, 41 silvers and 12 golds. All of the L8th chemists entered the Cambridge Chemistry Challenge, which was conducted remotely for the first time. SPS won 27 copper awards, 30 silvers, 18 golds and two "gold plus" awards for Ayham Alkhader and Jasper Johnston (both L8th).

Computing – seven Paulines qualified in their age groups for the finals at BEBRAS, the computational thinking competition organised by the University of Oxford: Josh Gregory (L8th); Tom Levy, Aidan Ferrand (both 6th Form); George Niedringhaus (5th Form); Neil Prabhu, Thomas Wong and Haolin Zhao (all 4th Form). Haolin Zhao was placed third overall.

Linguistics – in the UK Linguistics Olympiad, Paulines won 30 medals, 14 bronze, 14 silver and two gold.

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Outstanding Achievements 2019/20 (continued)

Academic (SPS) (continued)

Mathematics – 34 pupils participated in the UK Senior Mathematics Challenge, with 20 merits and ten distinctions. In the UK Intermediate Mathematics Challenge, 171 pupils achieved gold certificates, 45 of whom qualified for the Intermediate Mathematics Olympiad. The SPS team of Ayham Alkhader, Aidan Choi, Alex Kwang (all L8th) and Lunzhi Shi (U8th) qualified for the final of the UKMT senior team mathematics challenge. A different team -- Haolin Zhao (4th Form), Johnny Cubbon (6th Form), Minsuk Lee (L8th) and Alex Zeier (U8th) reached the final of the Hans Woyda Mathematics Competition (now postponed due to COVID-19), beating the previous two champions in the knockout stages.

Physics – 355 boys took the online BPHO Junior challenge for the first time, winning 153 gold medals, equivalent to one quarter of all golds awarded nationally.

Religious Studies – Saad Ayub won first prize and Kiyo Brandreth Stroud (both 6th Form) achieved third place in the Independent Schools' Religious Studies Association Essay Competition.

Academic (SPJ)

Foundation Scholarships and John Colet Scholarships – in the absence of end of year exams and the move to remote learning due to COVID-19, no academic scholarships were awarded to Upper Third Year boys this year. The process will now take place in the SPS 4th Form.

Music Scholarships – at 13+, Milon Kalia and Richard Eichhorst were awarded Exhibitions. At 11+, Tolga Mardin, Justin Li and Alex Wan were awarded Scholarships. Constantine Kondylis was awarded an Exhibition. Charlie Kirby and Kyle Hunt were awarded free bassoon lessons for a year.

Mathematics – the Primary Maths Challenge campaign for all Second Years commenced in November 2019. Those with a high enough score qualified for the PMC Bonus round sat later in the year. 40 boys made it through. Bronze awards went to 15 boys and silver awards to 12 boys. An impressive three gold awards went to Shyamak Sawant, Shyam Janarthanan and Akshay Raj, placing them in the top 6% of mathematicians for their age nationally. In 2020, there were no follow-up rounds due to COVID-19 but the boys were able to sit the Junior Maths Challenge remotely. Unfortunately, there is no national average data to compare the boys this year but three boys, Tolga Mardin, Aman Parekh and Anango Prabhat scored full marks.

Computing – in the TCS competition, Anango Prabhat, Eddie Jiang, Aman Parekh and Charlie Pilcher were placed 2nd, 6th, 8th and 11th nationally. In the BEBRAS competition, Eddie Jiang, Yifei Wang, Adavya Goyal, Anango Prabhat, Apollo Andreichuk and Zhoulin Hu participated. Anango Prabhat was the overall winner in the country.

Geography – boys competed enthusiastically in the Young Geographer of the Year, the national Geography quiz and we also hosted the Primary Geography Quiz. They are also encouraged to think more broadly, in a scholarship / extra-curricular way through GeogSoc Society discussions and Extreme Dreams talks.

History – we held a year-wide competition to find the best entry for the Schools History Project competition. William Exten-Wright was the overall national winner in the Primary School age bracket, as adjudicated by Oxford University's Peter Frankopan. We also entered a team of 20-30 boys into the Townsend Warner competition, which we have won three times in the last eight years. This year's top performers were Rohan George and Dermot Christmas.

Extra-Curricular (SPS)

Chess – St Paul's finished in the top five of Eton Rapidplay 2019, a national competition involving 54 schools.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Outstanding Achievements 2019/20 (continued)

Extra-Curricular (SPS) (continued)

Engineering – Team Firefly F24 and F24+ involve 60 pupils building and racing four electric racing cars, and three of the cars reached the international final in October 2019 at Silverstone for the Greenpower IET Formula 24 Electric Racing Car competition. FF02 (L8th & U8th) finished eighth (out of 33 cars) and were the highest placed school car (other teams being from universities and engineering companies).

Music – Calvin Leung (6th Form) achieved distinction in the LRSM piano diploma and Rob Simmons (6th Form) achieved distinction in the DipABRSM cello diploma. LRSM is the equivalent level of two years' of study at conservatoire level. Shaunak Desai (L8th) achieved distinction in his LTCL Piano Performance diploma which is equivalent to the final year recital of an undergraduate degree. Tom Kirby (5th Form) won a place in the National Youth Orchestra of Great Britain for the 2019/20 season as an oboist and Aidan Choi (L8th violinist) won a place on the National Youth Orchestra's 'Inspire' scheme.

Philosophy – Max Faxcett (U8th) won third prize in the Philosophy category of the 2019 John Locke Institute Essay Competition.

Extra-Curricular (SPJ)

Drama – Jarlan Bogolubov was cast in Tom Stoppard's 'Leopoldstadt' and Tom Bonomini secured a role in RSCs 'Matilda'. Both boys were scouted at SPJ through casting workshops we hosted and were greatly supported in their endeavours by the School.

Music – the Autumn 2019 concert once again showcased a broad range of considerable talent, with a stand out performance of Beethoven's Romance in F by Milon Kalia. The concert also featured an exceptional performance of Beethoven's Pathétique Sonata (1st Movement) by scholar, Justin Li.

The Carol Service moved to St Paul's Church, Hammersmith, and was a very special occasion for participants and congregation alike. All of the choirs performed, including some brave and beautiful solos.

During the enforced lockdown, many of the boys continued to engage in musical ensembles online and a website was created to support their ongoing development. Virtual choirs, bands and orchestra continued to perform to their appreciative audiences throughout the Spring and Summer 2020 terms.

Boys continue to achieve excellent results in ABRSM exams. The Autumn 2019 session saw 33 candidates achieve seven passes, 16 merits and ten distinctions.

Chess – the U9 A team and U11 A and B teams made it to the semi-finals of the English Primary School Chess Championship in Bristol. The U11 A and B teams secured first and second place in the qualifying competition. Unfortunately, due to COVID-19, the rest of the competition was cancelled. 63 boys participated in an online chess tournament where the boys got a chance to play against each other remotely.

Sport (SPS)

Aikido - 12 pupils competed in the full International Aikido Competition in Spain - the first JAA recognised ITAF competition outside of Japan. SPS was the first school to compete in such a competition and Arjun Dhillon (U8th) & Joe Leventis (6th Form) reached the quarter final stage.

Athletics – in the English Schools' Combined Event Championships, Alex Pama (6th Form) finished 15th in the junior boys' pentathlon and Joseph Schull (L8th) 24th in the intermediate boys' octathlon. Philip Kastner (U8th) won the bronze medal in the U20 England Indoor Heptathlon Championships in Sheffield.

Judo – SPS won the small team trophy at the Independent Schools Judo Competition. Paul Belhomme (4th Form) won gold in the U50kg junior category; Tan Lam (L8th) won silver in the U66kg seniors category, Joachim Sciamma (6th Form) won silver in the U66kg intermediate category and Sean Chong (5th Form) won bronze in the U73kg intermediate category.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Outstanding Achievements 2019/20 (continued)

Sport (SPS) (continued)

Powerlifting – Rourke Palmer (L8th) broke three weight lifting records at the British National Powerlifting Championship qualifiers (in deadlift, squat and bench press).

Rackets – SPS pupils won both junior events at the National Schools Rackets Singles Championships at Queens Club. Oliver Hatfield (6th Form) won the 'Incedon-Webber Cup' (U16s) and James Rossiter (5th Form) won the 'Jim Dear Cup' (U15s).

Real Tennis – George Livesey (6th Form) & James Rossiter (5th Form) won the U16 Real Tennis National School Doubles.

Rowing – the 1st VIII came second in the youth eights at the Head of the Charles Regatta in Boston, USA, and were the fastest school crew for the eighth year in succession. The crew were Milo Taylor, George Langstone-Bolt, Dom Valt, Oscar Mulvin (all U8th), Rehan Ackrim, Max Gillard, Tom O'Sullivan, Felix Kwok and Joe Middleton (all L8th). COVID-19 decimated the rest of the season, preventing the 1st VIII from attempting to win the National Schools competition for the third year in succession. Tom O'Sullivan, Felix Kwok, Joe Middleton, Dom Valt and Oscar Mulvin won the junior coxed fours at the fours Head of the River. In the scullers Joe Middleton (L8th) won the J17 category.

Tennis – Derin Acaroglu (L8th) played in the U18 International Tennis Tournaments (ITF) in four different countries and the highlight was reaching the final of the U16 Doubles at the Nationals in Nottingham.

Rugby – the 1st VII won the Bowl competition at the Shiplake Rugby 7's.

Swimming – Malachi Cohen (6th Form) competed at the English Winter swimming nationals.

Water Polo – the U15s finished 3rd in the England Schools' Water Polo Plate tournament in Northampton, and the U18 Water Polo team took silver.

Sport (SPJ)

Whilst this sporting year has been truncated somewhat due to the COVID-19 pandemic, the School have produced some outstanding results in the regular fixture clashes of the major games of rugby and football. Unfortunately, COVID-19 put paid to a cricket season but the notable achievements listed below in both major and more individual sports continues to highlight the depth and breadth of talent we have amongst our boys.

Krish Patel – Surrey Cricket's Elite Player Programme

Fergus de Mestre and Tamash Raaj – Surrey Cricket Age Group selection

Aaryan Patel, Chico Hillman and Sam Francombe – Middlesex Cricket Age Group selection

Tennis – Thomas Lefranc is now ranked first nationally for his age group and recently won the Fred Perry Championship in the U12 category. Daniel Hughes is in the top 20 nationally ranked tennis players for his age group.

Football – our footballers were having another outstanding season when School abruptly ended but, by this point, every boy had taken the field in matches against other schools, the U13A had made the last 16 of the National Cup, the U9 and U10 won the Primary School's tournament and the U11 shared the trophy with Sheen Mount. Kamran Baghai and Jacob Bethell both earned spots in the Prep School Lions U13 squad as did Adam Colligan at U11. Leo Dausch continues to do well as part of the Fulham Academy set-up.

Rugby – the club had a fantastic season across the board on a really tough circuit. Special mention must go to the U13A and U11A who won both the Wellington and Belmont Festivals and the U13A won the Caldicot Sevens for the first time in over 60 years. Of the senior players who have moved up to the senior school. Fraser White was selected to join the National Sevens pathway and has also been invited to attend the Harlequins Academy along with Jacob Bethell and Connel Nelson.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Outstanding Achievements 2019/20 (continued)

Sport (SPJ) (continued)

Karate – Tamash Raaj achieved a gold medal at the World Karate Championships.

Tae Kwon Do – James Sahota and Raphael Granière-Deferre made the quarter finals of the KATA International Tae Kwon Do finals.

Principal Activities of the Year (including Public Benefit)

The total number of pupils at the School was 1,455, of whom 498 were at St Paul's Juniors and 957 at St Paul's (SPS). Of the total number, 121 (2019: 104) pupils were assisted with means tested bursaries. 62% (2019: 64%) of these awards were either full fee or higher than 75% of fees compared to 49 bursaries in total and 45% at the same level in 2015-16. The total means-tested bursaries for the year ended 31 August 2020 were £2,097,000 (2019: £1,987,000) representing 5.9% (2019: 5.8%) of gross School fees. Widening access to the School, through increased bursary support as necessary, remains a priority and, for the 2020/21 academic year, there are currently 129 pupils being assisted with means tested bursaries, with 80% of these awards being either full fee or higher than 75% of fees. The School's bursary awards, in addition to the main School fee, cover educational trips which form part of the curriculum, bus transport, iPads (where applicable), music tuition fees (where applicable), examination fees, books and School uniform.

Charitable Activities and Partnerships

Charity

The newly formed St Paul's Charity Committee (made up of staff, parents and pupils) was established in June 2019 to help the School maximise impact on the communities that we are part of (local, national & international) and to select and support local charities. Its three main objectives are: i) to select local charities for the School to officially support; ii) to coordinate fundraising events for these charities and to act as a consultative forum for the Pauls4All committees at SPS & SPJ; and iii) to approve any changes to the processes of fundraising and supporting external charities at SPS or SPJ (national or international).

The SPS Pauls4All is a committee of 12 L8th students guided by the Head of Charities. Children with Cancer was voted as the SPS national charity of the year via an online vote by the whole School community of pupils and staff. At SPJ, FiSH continued as the local charity of the year. In addition, new local charities City Harvest, Castelnaud and Thames 21 were chosen by the SPCC. SPS also continued to support its link school partners, Senahasa (Sri Lanka) and Beyond Ourselves (Zambia).

Various fundraising and awareness events were held including mufti days and bake sales. Events were disrupted by COVID-19 but virtual events including a quiz, 2.6 challenges and a Pauls4All Pen Pals scheme, continued during lockdown. The total raised by students across SPS/SPJ during the academic year was approximately £15,000.

The proposed Links School trip to Zambia in July 2020 was postponed. The date of the next trip is still to be confirmed.

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Charitable Activities and Partnerships (continued)

Local School Partnerships (pupil / student numbers in brackets where available)

Academic Partnerships	Community Partnerships
<p>Music String Day</p> <p>Chemistry – Year 10 – 4 week Saturday programme (26) – only two classes held due to COVID-19</p> <p>144 hours of Oxbridge preparation for Year 13 (50)</p> <p>Residential Material Science School – cancelled due to COVID-19</p> <p>Residential Particle Physics School in partnership with Queen Mary's University – Year 10 replaced with online two day lecture series (633 from across the world)</p> <p>Latin Cohorts preparing for GCSE (3 year groups of 15) moved to online teaching</p> <p>Biology – 3 week Saturday Programme (20)</p> <p>Material Sciences – 2 week Saturday Programme (16) – only one class held due to COVID-19</p> <p>SPS MUN – Model United Nations weekend (150 from 15 schools)</p> <p>University Day Online – advice about university applications (84)</p> <p>First Medics Masterclasses – students applying to study medicine (24)</p> <p>One day Medical Conference cancelled due to COVID-19</p> <p>One day Economics Conference (60)</p> <p>Geography Conference</p> <p>One day Student Exchange Y12 (5)</p> <p>Primary School Philosophy for Children (30)</p>	<p>Capsize Drills for local rowing clubs</p> <p>Lowther School weekly swimming</p> <p>FiSH Concert</p> <p>Westside Basketball Club</p> <p>Castelnau Community Centre Homework Club</p> <p>Chance to Shine</p> <p>Secondary School (PRUs) Rugby with Dallaglio Rugbyworks charity</p> <p>Barnes Literary Festival – supported their online festival</p> <p>World Cup Day cancelled due to COVID-19</p> <p>Chance to Shine Cricket Day cancelled due to COVID-19</p> <p>Micro Adventure cancelled due to COVID-19</p> <p>State schools sports day provisions cancelled due to COVID-19</p> <p>Rowing Camp with Fulham Reach (Holiday Hunger) cancelled due to COVID-19</p>

The School employs a full time Partnerships Manager responsible for community relations and developing academic and sporting partnerships as well as promoting the use of School facilities within the local community.

School Partnerships: these focus on helping support some of the brightest students from maintained schools. Programmes aim to consolidate and extend students' knowledge and skills but also to challenge and inspire beyond the examination syllabus. Programmes take place at St Paul's, are run by SPS staff and occur after school hours, at the weekend or during school holidays, and in addition to the table of activities above, include the following:

- SPS pupils were trained in Philosophy4Children. The boys who were trained have since gone on to deliver Philosophy sessions at local primary schools.
- SPS has extended invitations to all partnership schools to conferences held by various departments.

After March 2020, all events went virtual where possible due to COVID-19. Oxbridge preparation and Latin GCSE classes were successfully moved to Google Classroom and the Science Summer School transformed into a series of lectures attended by over 600 students (70% were from UK state school but 13 different countries were represented). Approximately 150 hours of virtual mentoring was carried out during Summer 2020 in various pilots involving about 30 Paulines.

West London Partnership:

As part of the School's partnership strategy, this local private-state partnership was established formally in May/June 2020 with four to five independent schools and four local state schools. The Start-it Entrepreneurship programme is to be embedded into the partnership as well as much of the existing partnership and outreach work.

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Charitable Activities and Partnerships (continued)

Voluntary Services: As part of the new L8th Friday programme, complementing the existing voluntary service Wednesday afternoon provision, around 80 pupils volunteered in the community each week, in care homes, mentoring children in primary schools in Mathematics and Literacy, teaching Latin, running homework clubs, assisting in the classroom and supervising lunchtime and after-school activities, including sport.

Use of School Facilities by the Wider Community: Sporting clubs are run by both SPS staff and local volunteers, and offer young people a range of activities throughout the year. The School also lets out its facilities free of charge to local primary and secondary schools and charities. A full list of activities is posted on the School website, and includes: Westside Basketball, Ealing Youth Orchestra and Barnes Music Festival (some of this was cancelled due to COVID-19). Many local sports clubs also make use of our excellent sports facilities. Regular users are Barnes Swimming Club, Penguins Water Polo Club, Westside Basketball Club, St Paul's Fencing Club and Barnes Cricket Club. The Fives and Rackets courts are also used by members of the community.

Alumni Activities

The School maintains contact with previous pupils mainly through The Old Pauline Club, which is independent but closely associated with the School. A number of social events are held during the year themed around professional interest groups or year of attendance. Current pupils and staff are invited to a number of these events.

FUTURE PLANS

The Governors' priorities for the coming year are as follows:

Academic / Pastoral

1. Establish strong leadership teams in SPJ, SPS and across the senior executive following the change of senior personnel.
2. Establish a safe environment for the restoration on site of as much of the curricular and co-curricular programme as possible in line with Government guidance.
3. Under any emergency restrictions, prioritise the needs of 6th Form and U8th pupils in preparing for public examinations and university entry.
4. Continue to review the curriculum to strengthen the links between juniors and seniors, and review the use of online teaching as part of our emergency response planning and learn from it, integrating best practice into the learning portfolio of the School.
5. Review the 5th and 6th Form curriculum in SPS in time for the introduction of any changes from 2021-22.
6. Establish strong pastoral teams with the new members of staff in the juniors, seniors and across both schools, and sharpen focus on mental health and safeguarding in the wake of the COVID-19 spike.
7. Review the admission process in light of the 2019-20 changes and evaluate the process at 7+ / 8+ / 11+, and target an increase in bursary applications at 11+ and 16+.
8. Create an action plan for 2020-21 to increase further the awareness of equality and diversity in a Pauline education, and for the executive to report to the Governing Body regularly on the progress of that action plan.

STRATEGIC REPORT (continued)

FUTURE PLANS (continued)

Community / Partnerships

9. Deliver on the KPIs for 2020-21 contained in the five year £20m 'Shaping our Future' fundraising campaign.
10. Establish a safe environment for the restoration of the physical community events programme (careers / networking / talks / lectures) in combination with an augmented virtual programme building on our successful lockdown model.
11. Roll out the programme for the West London Partnership (uniting local state and independent schools) to incorporate existing 'outreach' work, the West London Schools' Entrepreneurs Partnership, and the Year 12 Friday afternoon programmes.
12. Establish a mechanism for valuing the School's total annual contribution to public benefit.
13. Build stronger post COVID-19 relationships with local schools, with parents' groups, and with the Old Pauline Club.

Finance / Operations / Redevelopment

14. Manage the finances as prudently as possible during the COVID-19 crisis, providing fee support where possible and appropriate to parents.
15. Review the plans for the construction of Thomas Clarkson House, for the reconstruction of SPJ and for the refurbishment of the Milton building (including the re-siting of SPJ Art and Music), and determine the course of action.
16. Develop business plans for the expansion of lettings / events, safeguarding and mental health training, and e-Technology post the COVID-19 crisis.

RISK MANAGEMENT

The Governing Body is responsible for identifying and addressing risks.

There were three key risk issues for the Governors in 2019/20. The first was the management of a major building project (Phase 2 of the new General Teaching Building) within the heart of the School, which posed potential risks to health and safety and to the School's financial stability. The risks were mitigated by the appointment of specialist project managers and cost controllers, and the deployment of clear protocols and controls over all operational aspects of the project. The project remains within budget. The £112m redevelopment project between 2011 and 2020 has required £15m of debt, which was drawn down in June 2018. A further £35m of debt was secured and drawn down in March 2019 which will be used for future phases of the School's Masterplan.

The second risk was operational and reputational, and emanated from the prosecution of five former members of staff separately for sexual offences against children, including offences against pupils at the School between 1974 and 1992, following a well-publicised Metropolitan Police investigation (Operation Winthorpe). In response the Richmond LSCB commissioned a Serious Case Review (SCR) to ensure that any learning from the past, and from the School's handling of the allegations, could be shared locally and nationally. Their report was published in January 2020. The School has either commissioned or been subject to nine independent reviews and inspections of current safeguarding arrangements and culture at St Paul's since 2014, which provide independent verification that the School's current safeguarding systems go well beyond the statutory minimum. An additional action plan was created in response to the recommendations of the SCR, although most of these related to national practice. The action plan has been completed and shared with Richmond LSCB. The School has apologised to all its community for what happened in the past. It has offered to meet with any ex-pupil, and has met or talked to everyone who expressed a wish to do so. Generous redress has been settled with all 11 victims in the trials of former staff, irrespective of the insurance position and without the need for them to resort to litigation. The School continues to

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

RISK MANAGEMENT (continued)

respond to, and consider, other claims. These responses confirm that the School accepts responsibility for what happened in the past, will not forget what happened, and will continue to regard safeguarding as its highest priority.

The third risk is the challenge to the School's educational provision, welfare systems, the health of staff and pupils and financial security posed by the outbreak of COVID-19 from March 2020. The School managed the risk in a number of ways:

- Government advice was followed carefully at all times, and insurance advice was sought on specific issues as necessary, which resulted in a shared risk-assessed approach to all provision.
- The Executive met daily when necessary to consider the evolving situation, and additional meetings of the Governing Body and Finance and Education committees occurred throughout.
- Regular communications were provided to parents, staff and pupils.
- Savings were identified and a subsequent fee rebate of 14% was given to parents for the Summer term 2020.
- A hardship fund was created to help parents in difficulty with fee payments.
- Capital projects were placed on immediate hold.
- Educational provision moved online, with many lessons taught simultaneously over the course of the Summer term.
- New university taster courses were provided for Upper Eighth pupils.
- The site remained open throughout the lockdown period for children of key workers from any schools.

The management of the COVID-19 pandemic remains ongoing.

A formal review of the School's risk management controls is performed annually but risk management is at the heart of all decision making. The Governors and executive staff regularly review and update procedures in order to identify and mitigate risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial results are presented on pages 25 - 47 of this report. During the year there was a net increase in funds of £2,142,000 (2019: £5,027,000) bringing the total funds to £115,455,000 at 31 August 2020 (2019: £113,313,000). In addition to the School's operational surplus the main reasons for the increase in funds for the year were rebuilding fund and bursary donations and bank interest.

The School's main income is from fees. The total income of £40,533,000 (2019: £41,229,000) consists of unrestricted income of £35,242,000 (2019: £35,610,000) and restricted income of £5,291,000 (2019: £5,619,000). The restricted income funded bursaries, prizes and the rebuilding project. The unrestricted income, in addition to fees, includes investment income, bank interest, trading income, Government grant income, donations and legacies and other categories such as rents received.

Within total expenditure of £36,630,000 (2019: £35,085,000), educational costs were the largest category of expenditure at £21,839,000 (2019: £20,604,000) followed by premises costs at £6,304,000 (2019: £6,242,000).

The School's finances were monitored very closely during the COVID-19 pandemic and remain in a strong position, although the unrestricted net income for the year before investment gains and transfers reduced from £1,659,000 in 2019 to £145,000. Cost savings made in the Summer term were able to be passed on to parents by way of a 14% fee rebate. Over 80 families were assisted with payment plans for the Summer term fees and a further 11 were awarded hardship assistance due to a deterioration in their financial circumstances as a result of the pandemic.

Reserves Policy

The funds at the year-end totalled £115,455,000 (2019: £113,313,000) which included £106,106,000 of unrestricted funds (2019: £104,754,000), £6,598,000 of restricted funds (2019: £5,848,000) and £2,751,000 of endowed funds (2019: £2,711,000).

The Trustees have set a reserves policy which requires:

- a reserve of £5million to be maintained, separately from the School's working capital, to ensure the School can continue to pay salaries and creditors for three months with no additional income;

STRATEGIC REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

- separate to the above reserve, the School maintains a reserve to cover the cash requirements of the budgets formally committed to the rebuilding fund;
- the defined benefit pension scheme for non-teaching staff at the School is in deficit amounting to £4,122,000 which impacts on the unrestricted reserves of the School. To address this deficit, the School has agreed to continue to make additional contributions totalling £567,000 per annum.

As at 31 August 2020, the School has negative free reserves of £9,782,000 after allowing for the above reserve of £5,000,000 which is held in readily available cash. This reflects the substantial investment that the School is making, and will continue to make, in its buildings. The negative free reserves position is therefore expected to continue for the foreseeable future. However, the School has a very strong net current asset position of £57,184,000 (2019: £58,388,000). Therefore, having assessed the School's financial position, the plans for the foreseeable future, the risks to which the School is exposed including the ongoing impact of the COVID-19 pandemic and the detailed cash projections, the Governors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

Investment Policy

In accordance with the Memorandum and Articles of Association, the Governors have the power to invest in such stocks, shares and property as appropriate to meet the objectives of the Charity. The policy is for a low to medium risk investment approach. Two investment managers, Waverton Investment Management Limited and Rathbone Investment Management Limited, manage the investment of the School's endowed funds and restricted bursary funds with the restrictions that no funds are to be placed in the following areas: pornography, armaments, gambling and tobacco. A further restriction on direct investment in fossil fuel stocks was added during the year. The School also continues to hold short to medium term secure deposit accounts with UK banks. With the consent of the Finance Committee, the Finance Director may invest monies that will not be needed by the School at short notice. Investments are reported at every Finance Committee meeting. The policy is reviewed annually to ensure it remains in line with the School's objectives and prevailing economic conditions.

Investment Performance against Objectives

The market value of the School's investments at the end of the year was £5,217,000 (2019: £4,954,000). The School's investments are mainly in equities and funds. The value of the portfolios held with Waverton Investment Management Limited and Rathbone Investment Management Limited have increased by 4.34% and 0.38% respectively in capital terms. The difference in performance reflects the different mandate for each investment manager. This performance is below the benchmarks of CPI plus 4.50% for Waverton and CPI plus 3.00% for Rathbones but consistent with market conditions during the year due to the COVID-19 pandemic. The performance of both portfolios has improved slightly post year-end.

Fundraising Practices

The 'Shaping our Future' Campaign was formally launched in May 2019. The initiative centres around three key areas of focus: Excellence without Exclusivity (widening access), Working in Partnership and Building to Inspire (the West Pavilion and the Boathouse - both of which will also support our agenda to increase our partnership work, and also diversify income). The combined five-year campaign target is £20 million.

1. Fundraising Targets for Excellence without Exclusivity – Widening Access:

<u>Year</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>5 Year Total</u>
Target	£660,000	£1,320,000	£1,980,000	£2,640,000	£3,300,000	£9,900,000
Achieved	£2,063,853	£4,322,931*				
		*includes cash and pledges				

Annual target from 2022/23 onwards £3,300,000.

2. Fundraising Targets for St Paul's in Partnership, which includes: Pauline service in the community, Partner schools' programme, developing enterprise skills, building awareness of bursaries.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Fundraising Practices (continued)

<u>Year</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>5 Year Total</u>
Target	£25,000	£125,000	£125,000	£125,000	£125,000	£525,000
Achieved	£13,750	£120,062				

3. Fundraising Targets for Building to Inspire over the next 5 years:
Boathouse £7,000,000; West Pavilion £2,600,000: Total £9,600,000.

To date £7,447,404 has been raised (cash and pledges) since the beginning of the quiet phase of the £10.4 million required for the bursaries and partnership target. This also includes money raised from some discreet activities:

- (a) £105,315 from the 2020 Leavers' Bursary Appeal - £95,067 from 36 sets of parents and 13 leavers' regular gifts of £10,248 over five years.
- (b) £116,363 from the annual parent-led 'Spring Fling' raised from 90 auction lots and 10 donations. This was the tenth annual event which has raised over £1.275 million to date.
- (c) £270,978 from the Fee Rebate Appeal resulting from the COVID-19 crisis – 99 sets of parents returned all or part of their 14% rebate (£1,209/£967 SPS/SPJ, respectively) towards the Hardship Bursary Fund.

Discussion is being held with a number of potential funders for the West Pavilion and work on the Boathouse campaign will recommence at an appropriate stage for capital campaigns.

No professional fundraisers or commercial participators carried out any fundraising activities on behalf of the School during the year.

The School is formally registered with the Fundraising Regulator demonstrating our commitment to 'good fundraising practices'. The School also adheres to the Code of Fundraising Practice and associated rulebooks and is a member of the Institute of Development Professionals in Education (IDPE). Various members of staff also have personal membership of the Institute of Fundraising.

There are no instances to report of the School failing to comply with fundraising standards or schemes for fundraising regulation and the School received no complaints about its fundraising activity during the year. The School adheres to the General Data Protection Regulation (GDPR) which came into effect in May 2018. GDPR affects the way that the School contacts individuals and holds their personal data, specifically with regards to fundraising. As a school, we are fully compliant with GDPR and take our responsibilities seriously.

Companies (Miscellaneous Reporting) Regulations 2018

The Governors have promoted the success of the School by acting in good faith to assist the charitable company to meet its aims and objectives. Further detail on this can be found in the 'Objectives to Achieve the Aims for the Year' section of this report on pages 3 to 6.

Employees are involved in, and consulted about, a variety of School and workplace issues through a range of mechanisms. A range of detailed HR policies support the charitable and business objectives and ensure compliance with employment legislations. These are reviewed at least annually. A Joint Consultative Forum (JCF) has also been formed, with representation from SPS and SPJ teaching staff and support staff. The JCF enables employees to raise issues with the Executive on a regular basis and the minutes of those meetings are viewed by the Governors.

The School provides various support mechanisms to promote the wellbeing of employees. These include a confidential Employee Assistance Programme, a chaplain, a medical centre, the provision of flu vaccinations, physiotherapy sessions, School counsellors and reimbursement for eyesight tests together with a contribution towards the cost of glasses.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

Companies (Miscellaneous Reporting) Regulations 2018 (continued)

In accordance with the Equal Opportunities Policy, the School seeks to treat all employees, all other members of the School community and any person visiting the School equally, regardless of their disability. The School expects all employees and all other members of the School community to comply with this policy. If an employee is disabled or becomes disabled during the course of employment, the School will endeavour to support the employee to as great an extent as possible.

STRUCTURE, GOVERNANCE AND MANAGEMENT

John Colet, Dean of St Paul's, founded St Paul's School in 1509 and placed the administration in the hands of The Mercers' Company. The School is a company limited by guarantee with charitable status (company number 6141973, registered charity number 1119619) which is governed by its Memorandum and Articles of Association. The Mercers' Company, a Livery Company, a body corporate formed by Royal Charter in 1394, is the sole member. The School has two linked charities, The St Paul's School General Charitable Trust (registered charity number 1119619-1) and St Paul's School Central Prize Fund (registered charity number 1119619-2) which hold the School's endowment funds.

Governing Body

The Governors of the School are the trustees of the charity and directors of the company. The Governors serving at the date of this report, and who served throughout the period 1 September 2019 until 31 August 2020 (except where otherwise stated), are:

John Robertson (*Chair*)
Ben Thomas (*Deputy Chair, Safeguarding Governor*) (retired 31 July 2020)
Sarah Barker
Richard Cassell (appointed 9 January 2020) (*Deputy Chair from 1 August 2020*)
Nicola Doyle (*Health and Safety Governor and Educational Visits Governor*)
Vernan Exelby (appointed 1 July 2020) (*Safeguarding Governor from 1 August 2020*)
Adam Fenwick
Sir Simon Fraser GCMG
Lord Grabiner QC
Harold Hampson (appointed 9 January 2020)
Tim Haynes
Professor Rose Luckin
Samuel Newhouse (appointed 1 July 2020)
Alison Palmer
Sarah Thomas (appointed 1 September 2019)
Chris Vermont

*Committees (Non Governors are marked with an *)*

Property Committee:

Professor Mark Bailey * (*Chair*) (until 31 August 2020)
Adam Fenwick (*Chair from 1 September 2020*)
John Robertson
Sally-Anne Huang * (from 1 September 2020)
Chris Vermont
Simon Taylor * (The Mercers' Company)

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Education Committee:

Professor Rose Luckin (*Chair*)
John Robertson
Nicola Doyle
Tim Haynes
Ben Thomas (until 31 July 2020)
Sarah Thomas (from 1 September 2019)

Finance Committee:

Chris Vermont (*Chair*)
Harold Hampson (from 9 January 2020)
Tim Haynes (until 31 December 2019)
Samuel Newhouse (from 1 July 2020)
Alison Palmer
John Robertson

Treasury Committee (merged with Finance Committee in February 2020):

Alison Palmer (*Chair*)
Harold Hampson (from 9 January 2020)
Tim Haynes (until 31 December 2019)
John Robertson
Chris Vermont

Nominations and Remuneration Committee:

Alison Palmer (*Chair*)
John Robertson
Adam Fenwick
Tim Haynes
Ben Thomas (until 31 July 2020)

Access, Development and Partnerships Committee:

Alistair Summers * (*Chair co-opted*)
John Robertson
Sarah Barker
Sir Lloyd Dorfman *
Adam Fenwick
Sir Simon Fraser GCMG

Safeguarding Committee:

Ben Thomas (*Chair*) (until 31 July 2020)
Veryan Exelby (from 1 July 2020) (*Chair from 1 August 2020*)
Nicola Doyle
Professor Rose Luckin
Sarah Thomas
Ibe Akoh *
Nick Arnold * (from 1 September 2020)
Mark Bailey * (until 31 August 2020)
James Gilks *
Richard Girvan * (until 31 August 2020)
Sally-Anne Huang * (from 1 September 2020)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Safeguarding Committee (continued):

Sam Madden *
Naomi McLaughlin *
Alex Matthews * (until 31 August 2020)
Sophie Rees *
Maxine Shaw *
Nick Watkins *
Alistair Wilkinson *
Shelagh Willis *

Key Management Personnel:

High Master:	Professor Mark Bailey (until 31 August 2020) Sally-Anne Huang (from 1 September 2020)
Surmaster, St Paul's:	Richard Girvan (until 31 August 2020) Francis Clough (from 1 September 2020)
Head, St Paul's Juniors:	Maxine Shaw
Finance Director:	Andrew Francombe (until 31 December 2019) Steven Grace (from 1 January 2020)
Project Director:	Hayley Richardson

Recruitment, Induction and Training of Governors

The existing Memorandum and Articles of Association state that there shall be a minimum of ten and a maximum of 16 Governors. Governors are selected by reference to their eligibility, personal competence and specialist skills which are mapped against the skills profile and needs of the whole Governing Body. On appointment Governors are given an induction pack and attend an induction at the School. During the course of the year further training is made available, and recommendations are made about suitable courses for Governors to attend.

Organisational Management

The Governors are responsible for the strategic direction, oversight and regulatory compliance of the School. The management of the School is delegated to the High Master supported by the Executive Management Team. The Governing Body meets at least six times a year. The High Master attends the Governing Body meetings and reports on the management of the School.

The Governing Body has the following sub-committees:

- (a) *Property Committee*: monitoring and oversight of the redevelopment of the School's buildings and managing the upkeep and maintenance of the School's residential property portfolio;
- (b) *Education Committee*: monitors, reports to and advises the Board on the educational strategy of the School and its implementation to include the level and quality of education being provided;
- (c) *Finance Committee*: monitors and reviews all aspects of the School's financial performance, financial management, financial reporting arrangements, budgeting, financial systems and controls. The Finance Committee has one sub-committee:
Treasury Committee: responsible for the School's portfolio of investments, establishing and following the investment policy and making investment decisions. This Committee was merged into the Finance Committee in February 2020;
- (d) *Nominations and Remuneration Committee*: oversight of the selection, nomination and appointment of Governors, the High Master and the Finance Director and of recommendations on senior executive remuneration;
- (e) *Access, Development and Partnerships Committee*: oversight of the development and delivery of open access to St Paul's through bursary provision and programmes of partnership activities; and
- (f) *Safeguarding Committee*: oversight of child protection and safeguarding matters including resourcing, training and an anonymised review of the School's response to cases.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Management (continued)

All committees report to the Governing Body and are subject to terms of reference that outline the committee's remit and any delegated authority. The Chairman of the Governing Body has a right, which he exercises, to attend any committee of the Board. The High Master and senior staff attend committee meetings as required.

Key Management Remuneration

The Nominations and Remuneration Committee has delegated responsibility for determining the remuneration and benefits of the High Master and key management personnel, and takes advice and recommendations on the annual salary reviews or any package changes for the key management personnel, including reviewing appropriate salary benchmark information.

Regulation

The School is regulated by the Department for Education. It is a member of the Independent Schools Council and is inspected by the Independent Schools Inspectorate (ISI).

Registered Office and Advisors

Registered Office:	Lonsdale Road Barnes London SW13 9JT	
Legal:	Veale Wasbrough Vizards Central Court 255 Southampton Buildings Chancery Lane London WC2A 1AL	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 1AL
Auditor:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	
Banking:	National Westminster Bank Plc 111 - 117 Putney High Street Putney London SW15 2LL	
Investment Management:	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
Actuaries:	Barnett Waddingham 2 London Wall Place London EC2Y 5AU	XPS Pensions Group Tempus Court Onslow Street Guildford GU1 4SS
Insurance Broker:	Marsh Brokers Ltd 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU	SFS Group Limited Unit 21, Dean House Farm Church Road Newdigate Surrey RH5 5DL
Website: St Paul's School	www.stpaulsschool.org.uk	

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the trustees and directors of St Paul's School for the purposes of charity and 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 charitable company as at the balance sheet date, and of its incoming resources and application of resources, including income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

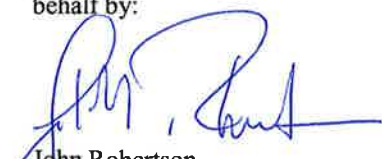
The following statements have been affirmed by each of the Governors of the charitable company:

- so far as each Governor is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each Governor has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITOR

Haysmacintyre LLP have indicated their willingness to be reappointed as statutory auditor.

The Governors' Report (including the Strategic Report) has been approved by the Board of Governors and signed on their behalf by:



John Robertson
Chair of Governors

9 December 2020

Opinion

We have audited the financial statements of St Paul's School for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' Responsibilities Statement set out on page 22 the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which incorporates the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

18 December 2020

10 Queen Street Place
London
EC4R 1AG

ST PAUL'S SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Charitable activities						
School fees receivable	2	32,567	-	-	32,567	32,551
Ancillary trading income	3	1,567	-	-	1,567	1,940
Other trading activities						
Non-ancillary trading income	4	181	-	-	181	263
Investments						
Investment income		-	88	-	88	75
Bank and other interest		478	-	-	478	496
Voluntary sources						
Donations, legacies and grants	5	449	5,203	-	5,652	5,904
Total income		35,242	5,291	-	40,533	41,229
Expenditure on:						
Raising funds						
Non-ancillary trading		5	-	-	5	4
Financing costs	8	1,501	-	-	1,501	1,018
Investment management		40	-	-	40	10
Fundraising and development		912	-	-	912	1,015
		2,458	-	-	2,458	2,047
Charitable activities						
Education and grant making		32,639	1,533	-	34,172	33,038
Total expenditure	7	35,097	1,533	-	36,630	35,085
Net income from operations before investment gains and transfers						
		145	3,758	-	3,903	6,144
Net gains on investments	10	-	38	40	78	137
Transfers between funds		3,046	(3,046)	-	-	-
Net income		3,191	750	40	3,981	6,281
Other recognised losses						
Pension scheme actuarial losses	19	(1,839)	-	-	(1,839)	(1,254)
Net movement in funds		1,352	750	40	2,142	5,027
Reconciliation of funds						
Fund balances at 1 September 2019		104,754	5,848	2,711	113,313	108,286
Fund balances at 31 August 2020	18	106,106	6,598	2,751	115,455	113,313

The attached notes on pages 29 to 47 form an integral part of these financial statements.

All of the School's activities represent continuing operations.

See note 24 for the Statement of Financial Activities for the year ended 31 August 2019.

ST PAUL'S SCHOOL

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	2020 Unrestricted and restricted funds £'000	2019 Unrestricted and restricted funds £'000
Income from:		
Charitable activities		
School fees receivable	32,567	32,551
Ancillary trading income	1,567	1,940
Other trading activities		
Non-ancillary trading income	181	263
Investments		
Investment income	88	75
Bank and other interest	478	496
Voluntary sources		
Donations, legacies and grants - unrestricted	449	358
Donations, legacies and grants - restricted	5,203	5,546
Total income	40,533	41,229
Expenditure on:		
Raising funds		
Non-ancillary trading	5	4
Financing costs	1,501	1,018
Investment management	40	10
Fundraising and development	912	1,015
	2,458	2,047
Charitable activities		
Education and grant making	34,172	33,038
Total expenditure	36,630	35,085
Net income before investment gains	3,903	6,144
Net gains on investments	78	49
Net income	3,981	6,193

The above Summary Income and Expenditure Account represents the total unrestricted and restricted income and expenditure as shown in the Statement of Financial Activities on page 25 and its presentation is required under the Companies Act 2006.

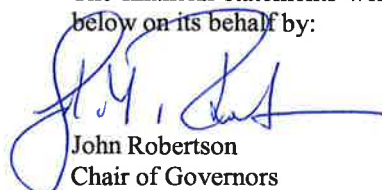
The attached notes on pages 29 to 47 form an integral part of these financial statements.

BALANCE SHEET


AS AT 31 AUGUST 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	9	110,888	106,523
Investments	10	5,217	4,954
		<u>116,105</u>	<u>111,477</u>
Current assets			
Stock		97	86
Debtors	11	1,097	1,173
Cash at bank and in hand		61,529	64,232
		<u>62,723</u>	<u>65,491</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(5,539)	(7,103)
Net current assets		<u>57,184</u>	<u>58,388</u>
Total assets less current liabilities		<u>173,289</u>	<u>169,865</u>
Creditors: amounts falling due after more than one year	13	(53,477)	(53,383)
Provisions for liabilities and charges	14	(235)	(467)
Net assets excluding pension liability		<u>119,577</u>	<u>116,015</u>
Pension scheme liability	19	(4,122)	(2,702)
Net assets		<u>115,455</u>	<u>113,313</u>
FUNDS			
Endowment funds	18	2,751	2,711
Restricted funds	18	6,598	5,848
Unrestricted funds	18	110,228	107,456
Total funds before pension reserve		<u>119,577</u>	<u>116,015</u>
Pension scheme funding reserve	18	(4,122)	(2,702)
Total funds		<u>115,455</u>	<u>113,313</u>

The financial statements were approved and authorised for issue by the Governors on 9 December 2020 and were signed below on its behalf by:



John Robertson
Chair of Governors



Chris Vermont
Chair of Finance Committee

The attached notes on pages 29 to 47 form an integral part of these financial statements.

ST PAUL'S SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020	2019
		£'000	£'000
Net cash inflow from operations			
Net cash provided by operating activities	20	4,229	10,476
Cash flows from investing activities			
Payments for tangible fixed assets	9	(7,289)	(22,142)
Payments for investments	10	(185)	(1,542)
Proceeds from sale of investments	10	-	95
Investment income and bank and other interest received		566	571
Net cash used in investing activities		(6,908)	(23,018)
Cash flows from financing activities			
Cash inflows from new borrowing		-	35,000
Repayment of obligations under hire purchase contracts		(24)	-
Net cash (used in)/provided by financing activities		(24)	35,000
Change in cash and cash equivalents in the reporting period		(2,703)	22,458
Cash and cash equivalents at the beginning of the reporting period		64,232	41,774
Cash and cash equivalents at the end of the reporting period	21	61,529	64,232
Analysis of movements in net cash			
		2019 £'000	Cash flows £'000
Cash at bank and in hand		64,232	(2,703)
Total cash and cash equivalents		64,232	(2,703)
Hire purchase contracts		-	24
Private Placement funding falling due after one year		(50,000)	-
Total		14,232	(2,679)

The attached notes on pages 29 to 47 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

Accounting basis

St Paul's School is a Public Benefit Entity. It is a company limited by guarantee registered in England and Wales (company number 06141973 incorporated on 6 March 2007) and a charity registered with the Charity Commission (charity number 1119619 registered on 12 June 2007). Its registered address is Lonsdale Road, Barnes, London, SW13 9JT.

The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") – effective 1 January 2015 (as amended by Update Bulletin 2). They are drawn up under the historical cost basis of accounting as modified by the revaluation of investments.

As highlighted in the Governors' Report, having assessed the School's financial position, the plans for the foreseeable future, the risks to which the School is exposed including the ongoing impact of the COVID-19 pandemic and the detailed cash projections, the Governors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis. There are considered to be no material uncertainties regarding the School's going concern status.

The School's wholly owned subsidiary, St Paul's School Enterprises Limited, was incorporated on 29 May 2019 with £1 of issued share capital. The company remains dormant as at 31 August 2020. Consolidated accounts have not been prepared as the subsidiary remained dormant and any consolidation adjustments would be immaterial.

Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. 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 current and future periods. The Governors consider the following items to be areas subject to estimation and judgement:

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience.

Pensions:

The principal assumptions used to calculate the liabilities in the defined benefit pension scheme are those as set out in note 19.

Legacies:

Accruing for income derived from legacies where complicated issues surrounding the measurement of the School's entitlement to income existed at the year-end. See note 23 for further details.

Provisions:

Provisions represent the best estimate of legal costs to be incurred post year-end in respect of the historic abuse allegations. See note 14 for further details.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1. ACCOUNTING POLICIES (continued)

Fees and similar income

Fees receivable and charges for services and use of the premises are accounted for in the year in which the services are provided. Fees receivable are stated after deducting bursaries, scholarships and other remissions allowed by the School, but include contributions received from restricted bursary funds and third parties.

Registration fees are non-refundable and are credited to income when received.

Government grant income

Government grant income represents the total amount claimed from HM Revenue and Customs under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

Rental and investment income

Rents are stated gross and are included on an accruals basis. Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

Donations and legacies and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds, where the amount is held as expendable capital, or to Endowment Funds.

For legacies, entitlement is the earlier of the School being notified of an impending distribution or the legacy being received.

Expenditure

Expenditure is accounted for on an accruals basis where there is a legal and constructive obligation to make a payment to a third party and the amount of the obligation can be measured reliably. Expenditure is allocated to the appropriate headings relevant to the charitable activities on a direct basis. Support costs mainly represent office administration. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred. Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, legal advice and all the costs of complying with constitutional and statutory requirements. Charitable expenditure represents the costs of running the School including salaries, catering, premises and welfare costs. Costs of raising funds include non-ancillary trading, financing, investment management and fundraising and development costs.

Grants

Grants payable are charged in the year when the offer is conveyed to the recipient except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions have been fulfilled.

Operating leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term.

Funds

The School has three types of funds:

- Endowment - where the capital is held in perpetuity to generate distributable income;
- Restricted - where the purpose for which the funds may be used has been restricted by donors; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the School.

1. ACCOUNTING POLICIES (continued)

Pension schemes

The School contributes to the Teachers' Pension Scheme. This is a multi-employer pension scheme and it is not possible to identify the School's share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School also contributes to St Paul's Schools' Non-Teaching Staff Pension Fund. The scheme is a defined benefit scheme in accordance with section 28 of FRS 102. Service costs, curtailments, settlement gains and losses, net financial returns and remeasurement gains and losses are included in the Statement of Financial Activities in the year to which they relate.

Changes in the assets and liabilities of the scheme in the year are disclosed and allocated as follows:

- Pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to financing costs in the Statement of Financial Activities.
- Pension finance charges arising from similar changes are recognised as expenditure.
- Remeasurement gains and losses are recognised as other recognised gains and losses.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities and major assumptions are shown in note 19.

Following the closure of the Non-Teaching Staff defined benefit scheme to new members and also to future accrual with effect from 1 January 2016, all Non-Teaching members of staff, unless they choose to opt out, contribute into a separate defined contribution scheme. Costs associated with this scheme are charged to the Statement of Financial Activities in the period in which the salaries to which they relate are payable.

Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accruals basis and in accordance with FRS 102.

Capitalisation and replacement

All assets purchased are included at their purchase price, together with any incidental expenses of acquisition. Assets with a cost below £5,000 are not capitalised.

Depreciation

Depreciation of assets is provided at rates to write off the cost over their estimated useful lives as follows:

- | | |
|--|----------|
| • School and residential buildings | 50 years |
| • Leasehold improvements | 20 years |
| • School and residential refurbishments | 10 years |
| • School equipment and musical instruments | 10 years |
| • Furniture and fittings | 4 years |
| • Vehicles and boats | 4 years |
| • Computers | 3 years |

Assets held under construction are not depreciated as the assets have not yet been brought into use. On completion the assets will be transferred to buildings and depreciated over their expected useful life.

1. ACCOUNTING POLICIES (continued)

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at cost. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Gains and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sale proceeds and opening carrying value or the purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value of investments at the year-end and their opening carrying value. Realised and unrealised investment gains and losses are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, other debtors and accrued income. A specific provision is made for debts for which recoverability is in doubt. Cash and cash equivalents are defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise deposits, fees in advance, trade creditors, other creditors and Private Placement funding. Financial liabilities measured at fair value comprise the pension scheme liability.

Stock

Stock representing books, stationery, padlocks and kitchen supplies, is stated at the lower of cost and estimated realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

Cash and cash equivalents

Cash and cash equivalents include cash and deposits with a short term maturity of 12 months or less from the date of opening the deposit account.

Creditors

Creditors are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Amounts are recognised at their settlement amount.

Provisions for liabilities

Provisions are made where an event has taken place that gives the School a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Financial Activities in the year that the School becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Where payments are eventually made, they are charged to the provision carried in the balance sheet.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2020	2019
	£'000	£'000
Fees receivable consist of:		
School fees	35,439	33,983
Add: bad debts recovered	3	3
Less: Summer term 2020 fee rebate	(1,639)	-
Less: total bursaries, grants and allowances	(2,611)	(2,429)
	<u>31,192</u>	<u>31,557</u>
Add: scholarships, grants, etc. received from restricted funds	1,375	994
	<u>32,567</u>	<u>32,551</u>
Included within total bursaries, grants and allowances are means-tested bursaries of £2,097,000 paid to 121 pupils (2019: £1,987,000 paid to 104 pupils). 62% (2019: 64%) of these awards were either full fee or higher than 75% of fees.		
3. CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME	2020	2019
	£'000	£'000
Fee extras (including School trips)	1,252	1,582
Entrance and registration fees	216	230
Tuck shop sales income	60	81
Commissions and other income	39	47
	<u>1,567</u>	<u>1,940</u>
4. OTHER TRADING - NON-ANCILLARY TRADING INCOME	2020	2019
	£'000	£'000
Hire of School facilities	83	128
Rental income	67	95
External training income	31	40
	<u>181</u>	<u>263</u>
5. DONATIONS, LEGACIES AND GRANTS	2020	2019
	£'000	£'000
Donations for:		
Bursaries	1,893	1,693
Prizes and other awards	1	1
Rebuilding fund	3,023	3,036
Other	338	945
	<u>5,255</u>	<u>5,675</u>
Legacies	7	229
Government grant income (CJRS)	390	-
	<u>5,652</u>	<u>5,904</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

6. STAFF COSTS	2020 £'000	2019 £'000
The aggregate payroll costs for the year were as follows:		
Wages and salaries	17,266	16,534
Social security costs	2,079	1,992
Pension costs:		
Defined contribution scheme	400	390
Defined benefit scheme	154	218
Teachers' Pension Scheme	2,646	1,759
Medical insurance	102	83
Consultancy costs	137	137
Contract staff costs	569	604
Recruitment costs	108	183
Other	22	38
Redundancy / termination payments	114	71
	23,597	22,009

None of the Governors received any remuneration or other benefits (2019: none).

Aggregate employee benefits of key management personnel	1,258	1,121
	2020 Number	2019 Number

The number of employees whose emoluments in the year exceeded £60,000 was:

£60,000 - £69,999	50	54
£70,000 - £79,999	48	47
£80,000 - £89,999	22	17
£90,000 - £99,999	4	2
£100,000 - £109,999	-	1
£110,000 - £119,999	1	1
£120,000 - £129,999	3	-
£130,000 - £139,999	-	1
£140,000 - £149,999	2	1
£150,000 - £159,999	1	2
£180,000 - £189,999	-	1
£200,000 - £209,999	1	-
£270,000 - £279,999	-	1
£330,000 - £339,999	1	-

Of the above staff members 126 (2019: 122) have benefits accruing under defined benefit pension schemes and seven (2019: six) have benefits accruing under the defined contribution scheme. Employer's contributions for the defined contribution scheme were £71,267 (2019: £59,069).

The average number of the School's employees during the year calculated on a full time equivalent basis was 291 (2019: 298) and on a head count basis was 352 (2019: 396).

Full time equivalent basis	2020 Number	2019 Number
Teaching	183	195
Welfare	4	6
Premises	30	28
Support	64	60
Other	10	9
	291	298

6. STAFF COSTS (continued)

Head count basis	2020 Number	2019 Number
Teaching	212	254
Welfare	8	10
Premises	32	32
Support	88	88
Other	12	12
	<u>352</u>	<u>396</u>

7. ANALYSIS OF TOTAL EXPENDITURE

2020	Staff costs £'000	Other £'000	Depreciation £'000	Total 2020 £'000	Total 2019 £'000
Costs of raising funds					
Non-ancillary trading	-	5	-	5	4
Financing costs (note 8)	42	1,459	-	1,501	1,018
Investment management	-	40	-	40	10
Fundraising and development	643	269	-	912	1,015
	<u>685</u>	<u>1,773</u>	<u>-</u>	<u>2,458</u>	<u>2,047</u>
Charitable activities					
Education	18,255	3,059	525	21,839	20,604
Welfare	247	1,353	2	1,602	1,622
Premises	1,788	1,998	2,518	6,304	6,242
Support costs and governance	2,622	272	-	2,894	3,436
Grants, awards and prizes	-	1,533	-	1,533	1,134
	<u>22,912</u>	<u>8,215</u>	<u>3,045</u>	<u>34,172</u>	<u>33,038</u>
Total expenditure	<u>23,597</u>	<u>9,988</u>	<u>3,045</u>	<u>36,630</u>	<u>35,085</u>
2019	Staff costs £'000	Other £'000	Depreciation £'000	Total 2019 £'000	Total 2018 £'000
Costs of raising funds					
Non-ancillary trading	-	4	-	4	4
Financing costs (note 8)	42	976	-	1,018	63
Investment management	-	10	-	10	9
Fundraising and development	570	445	-	1,015	757
	<u>612</u>	<u>1,435</u>	<u>-</u>	<u>2,047</u>	<u>833</u>
Charitable activities					
Education	16,718	3,481	405	20,604	19,432
Welfare	257	1,363	2	1,622	1,602
Premises	1,825	2,294	2,123	6,242	5,352
Support costs and governance	2,597	839	-	3,436	2,653
Grants, awards and prizes	-	1,134	-	1,134	1,039
	<u>21,397</u>	<u>9,111</u>	<u>2,530</u>	<u>33,038</u>	<u>30,078</u>
Total expenditure	<u>22,009</u>	<u>10,546</u>	<u>2,530</u>	<u>35,085</u>	<u>30,911</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

7. ANALYSIS OF TOTAL EXPENDITURE (continued)

Governance costs included in support costs:	2020 £'000	2019 £'000
Auditor's remuneration:		
For audit	33	32
For corporation tax	4	6
Staff costs	38	39
Legal and professional fees	73	678
Other	18	28
	<u>166</u>	<u>783</u>

Legal and professional fees in 2019 included £36,600 relating to legal costs associated with the historic abuse allegations together with an additional provision of £436,000 referred to in note 14. £109,000 of this additional provision was released in 2020 as it was no longer required. The School has obtained permission from the Charity Commission to offer a scheme of redress in respect of the historic abuse allegations and ex-gratia payments totalling £22,000 were made during the year ended 31 August 2020 (2019: £Nil).

Five Governors (2019: five) were reimbursed travel, accommodation and other expenses amounting to £4,036 during the year (2019: £3,482). Amounts paid directly to third parties on behalf of Governors during the year amounted to £13,477 (2019: £22,384). These expenses consisted of training costs, subscriptions, legal fees, catering costs for Board and sub-committee meetings, costs associated with the Governors' away day and entertainment costs on School business.

GRANTS, AWARDS AND PRIZES	2020 £'000	2019 £'000
From restricted and endowed funds		
Bursaries and other awards	1,407	1,030
Prizes and leaving awards	126	104
	<u>1,533</u>	<u>1,134</u>

8. FINANCING COSTS

	2020 £'000	2019 £'000
Private placement financing costs	1,458	938
Hire purchase interest	1	-
Net finance costs of defined benefit pension scheme	42	42
Provision for bad debts	-	38
	<u>1,501</u>	<u>1,018</u>

9. TANGIBLE ASSETS	Assets held under construction £'000	Charitable properties £'000	Furniture fittings & Equipment £'000	Vehicles and Boats £'000	Total £'000
Cost					
At 1 September 2019	32,696	81,911	3,385	677	118,669
Additions	6,501	310	574	25	7,410
Transfers	(37,170)	36,533	637	-	-
At 31 August 2020	2,027	118,754	4,596	702	126,079
Depreciation					
At 1 September 2019	-	9,194	2,346	606	12,146
Charge for the year	-	2,456	550	39	3,045
At 31 August 2020	-	11,650	2,896	645	15,191
Net book value					
At 31 August 2020	2,027	107,104	1,700	57	110,888
At 31 August 2019	32,696	72,717	1,039	71	106,523

As at 31 August 2020, the School has capital commitments of £242,288 (2019: £5,445,069) in relation to the School's rebuilding programme. The net book value of assets held under hire purchase contracts was £117,495 (2019: £Nil). The depreciation charge for the year was £3,357 (2019: £Nil).

10. INVESTMENTS	2020 £'000	2019 £'000
Listed investments:		
Valuation at 1 September 2019	4,954	3,370
Additions at cost	185	1,542
Disposal proceeds	-	(95)
Net gains on investments	78	137
Valuation at 31 August 2020	5,217	4,954
Total investments at 31 August 2020	5,217	4,954
Investments comprise:		
Listed investments		
Equities	4,281	2,907
Bonds	301	256
Pooled investment vehicles	285	1,375
Cash holdings	350	416
Total investments at 31 August 2020	5,217	4,954
Cost of investments	4,795	4,610

Of the total investments of £5,217,000 (2019: £4,954,000), £2,026,000 (2019: £2,003,000) are held in the UK and £3,191,000 (2019: £2,951,000) are held overseas.

The School also has a £1 investment (2019: £1) in its subsidiary undertaking, St Paul's School Enterprises Limited, which was incorporated on 29 May 2019.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

11. DEBTORS	2020 £'000	2019 £'000
Fees	64	-
Sundry debtors	36	383
Prepayments and accrued income	997	790
	<u>1,097</u>	<u>1,173</u>
12. CREDITORS: due within one year	2020 £'000	2019 £'000
Trade creditors	541	585
Fees received in advance	1,825	1,075
Refundable deposits (note 15)	496	406
Hire purchase contracts (note 15)	20	-
Other taxes and social security costs	14	14
Other creditors	564	482
Accruals and deferred income	2,079	4,541
	<u>5,539</u>	<u>7,103</u>
<p>Deferred income brought forward as at 1 September 2019 was £131,000 (2018: £101,000) and carried forward as at 31 August 2020 was £64,000 (2019: £131,000). This mostly related to advance School bus income received. The amount released to the Statement of Financial Activities in the year was £131,000 (2019: £101,000).</p>		
13. CREDITORS: amounts falling due after more than one year	2020 £'000	2019 £'000
Fees received in advance	69	54
Refundable deposits (note 15)	3,331	3,329
Hire purchase contracts (note 15)	77	-
Private Placement funding	50,000	50,000
	<u>53,477</u>	<u>53,383</u>

On 7 June 2017, the School entered into a private placement arrangement with BAE Systems Pension Scheme for £15m of funding at a coupon rate of 2.3% towards the construction costs of Phase 2 of the General Teaching Building. Drawdown of the funds took place in June 2018 and the capital will be repaid over ten equal annual instalments of £1.5m commencing in 2028. On 12 March 2019, the School entered into a second private placement arrangement with The Prudential Insurance Company of America for £35m of funding at a coupon rate of 3.18% towards the construction costs of the next phases of the School masterplan which includes the rebuilding of the Junior School. Drawdown of the funds took place in March 2019 and the capital will be repaid over 14 equal annual instalments of £2.5m commencing in 2039.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2020 £'000	2019 £'000
As at 1 September 2019	467	44
Amounts utilised	(123)	(13)
(Decrease) / increase in provision	(109)	436
As at 31 August 2020	<u>235</u>	<u>467</u>

Provisions for liabilities and charges of £235,000 as at 31 August 2020 relates to the best estimate of legal costs to be incurred subsequent to the year-end in respect of the historic abuse allegations. An additional provision of £436,000 was made as at 31 August 2019 and £109,000 of that additional provision was released as at 31 August 2020 as it was no longer required.

15. REFUNDABLE DEPOSITS AND HIRE PURCHASE CONTRACTS

	Refundable deposits		Hire purchase contracts	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
After 5 years	1,432	1,487	-	-
Between 2 to 5 years	1,438	1,349	57	-
Between 1 to 2 years	461	493	20	-
After more than 1 year	3,331	3,329	77	-
Within 1 year	496	406	20	-
	<u>3,827</u>	<u>3,735</u>	<u>97</u>	<u>-</u>

16. OPERATING LEASE COMMITMENTS

Operating leases that are subject to future minimum lease commitments are as follows:

	2020 £'000	2019 £'000
As Lessee:		
Less than 1 year		
Photocopiers	48	43
Franking machines	20	18
Computers	13	-
Land and buildings	1	1
Between 1 and 2 years		
Photocopiers	48	-
Franking machines	20	5
Computers	13	-
Land and buildings	1	1
Between 2 and 5 years		
Photocopiers	84	-
Franking machines	50	-
Computers	10	-
Land and buildings	3	3
Over 5 years		
Land and buildings	757	758
	<u>1,068</u>	<u>829</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

16. OPERATING LEASE COMMITMENTS
(continued)

	2020 £'000	2019 £'000
As Lessor:		
Less than 1 year		
Land and buildings	39	60
Between 1 and 2 years		
Land and buildings	39	-
Between 2 and 5 years		
Land and buildings	39	-
	<u>117</u>	<u>60</u>
Amounts charged / (credited) to Statement of Financial		
Activities:		
Photocopiers	55	57
Franking machines	20	18
Computers	-	-
Land and buildings - expenditure	1	1
Land and buildings – income	(60)	(80)
	<u>(60)</u>	<u>(80)</u>

17. ANALYSIS OF NET ASSETS

The School's net assets are held for various funds and advance fees as follows:

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities, provisions & pension deficit £'000	Total £'000
2020					
Endowment funds	-	2,737	14	-	2,751
Restricted funds	-	2,480	4,118	-	6,598
Unrestricted funds	110,888	-	53,052	(57,834)	106,106
	<u>110,888</u>	<u>5,217</u>	<u>57,184</u>	<u>(57,834)</u>	<u>115,455</u>
2019					
Endowment funds	-	2,697	14	-	2,711
Restricted funds	-	2,257	3,591	-	5,848
Unrestricted funds	106,523	-	54,783	(56,552)	104,754
	<u>106,523</u>	<u>4,954</u>	<u>58,388</u>	<u>(56,552)</u>	<u>113,313</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

18. FUNDS	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & Other Gains / (Losses) £'000	Balance 31 August 2020 £'000
Endowed funds					
Scholarship funds	260	-	-	10	270
Bursary funds	2,119	-	-	33	2,152
Prize funds	332	-	-	(3)	329
	<u>2,711</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>2,751</u>
Restricted funds					
Bursaries	2,959	1,961	(1,407)	24	3,537
Scholarships	113	5	(3)	3	118
Prizes and other funds	1,107	302	(123)	(12)	1,274
Rebuilding fund	1,669	3,023	-	(3,023)	1,669
	<u>5,848</u>	<u>5,291</u>	<u>(1,533)</u>	<u>(3,008)</u>	<u>6,598</u>
Unrestricted funds					
General reserve	107,456	35,242	(35,516)	3,046	110,228
Pension scheme funding reserve	(2,702)	-	419	(1,839)	(4,122)
	<u>104,754</u>	<u>35,242</u>	<u>(35,097)</u>	<u>1,207</u>	<u>106,106</u>
Total funds	<u>113,313</u>	<u>40,533</u>	<u>(36,630)</u>	<u>(1,761)</u>	<u>115,455</u>
COMPARATIVE FIGURES	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers & Other Gains / (Losses) £'000	Balance 31 August 2019 £'000
Endowed funds					
Scholarship funds	250	-	-	10	260
Bursary funds	2,050	-	-	69	2,119
Prize funds	323	-	-	9	332
	<u>2,623</u>	<u>-</u>	<u>-</u>	<u>88</u>	<u>2,711</u>
Restricted funds					
Bursaries	2,208	1,746	(1,030)	35	2,959
Scholarships	108	5	(4)	4	113
Prizes and other funds	698	832	(100)	(323)	1,107
Rebuilding fund	2,797	3,036	-	(4,164)	1,669
	<u>5,811</u>	<u>5,619</u>	<u>(1,134)</u>	<u>(4,448)</u>	<u>5,848</u>
Unrestricted funds					
General reserve	101,655	35,610	(34,306)	4,497	107,456
Pension scheme funding reserve	(1,803)	-	355	(1,254)	(2,702)
	<u>99,852</u>	<u>35,610</u>	<u>(33,951)</u>	<u>3,243</u>	<u>104,754</u>
Total funds	<u>108,286</u>	<u>41,229</u>	<u>(35,085)</u>	<u>(1,117)</u>	<u>113,313</u>

18. FUNDS (continued)**Endowed funds**

Endowed funds are for scholarship, bursary and prize funds. For these funds the capital is endowed and the arising income is restricted for the expenditure as shown by the type of endowment fund.

Restricted funds

The bursary and scholarship funds represent accumulated income on various restricted and endowed gifts intended to fund bursaries and scholarships for pupils. Prize funds are for the costs associated with awarding the various prizes. The rebuilding fund was created for building programmes. The transfer from the rebuilding fund to the unrestricted general reserve of £3,023,000 (2019: £4,164,000) relates to the use of restricted donations towards the capital expenditure on buildings during the year. Other transfers from restricted funds to the unrestricted general reserve include the use of restricted donations towards the capital expenditure on the SPJ Pavilion of £7,000 (2019: £296,000) and the purchase of new rowing boats of £9,000 (2019: £22,000), and the use of restricted income earned on endowed prize donations for the award of prizes to pupils of £6,000 (2019: £22,000).

19. PENSIONS**a) Non-Teaching Staff Pension Fund**

The School makes contributions to the St Paul's Schools Non-Teaching Staff Pension Fund, a defined benefit scheme in the UK. Since 1 November 2006, the scheme has been closed to new members and closed to future accrual on 1 January 2016. Contributions (including the expense allowance) for the year ended 31 August 2021 are expected to be £567,000. The disclosures shown below adopt the accounting standard FRS 102.

A full actuarial valuation of the scheme was carried out as at 31 August 2017 and has been updated to 31 August 2020 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	2020 %	2019 %
Discount rate	1.50	1.70
Inflation assumption (RPI)	3.20	3.20
Inflation assumption (CPI)	2.70	2.20
Rate of increase in salaries	2.70	2.60
5% LPI pension increase assumption	2.70	2.20
2.5% LPI pension increase assumption	2.20	1.95

Assumed life expectancies on retirement at age 60 are:

Retiring today	Males	26.3	26.6
	Females	28.6	28.7
Retiring in 20 years' time	Males	27.8	28.1
	Females	30.1	30.3

19. PENSIONS (continued)

The assets in the scheme and their values were:

	2020 £'000	2019 £'000
Equities	5,441	5,516
Cash and other assets	28	213
Secured pensions	355	380
Absolute return fund	5,889	6,027
	<u>11,713</u>	<u>12,136</u>
Fair value of scheme assets		

The actual return on assets over the period was	(313)	832
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	2020 £'000	2019 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	(15,835)	(14,838)
Fair value of scheme assets	<u>11,713</u>	<u>12,136</u>
Deficit in funded scheme = net liability in balance sheet	<u>(4,122)</u>	<u>(2,702)</u>

	2020 £'000	2019 £'000
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Benefit obligation at beginning of year	14,838	13,243
Interest cost	247	337
Actuarial losses	1,321	1,791
Benefits paid (excluding expenses)	<u>(571)</u>	<u>(533)</u>
Benefit obligation at end of year	<u>15,835</u>	<u>14,838</u>

	2020 £'000	2019 £'000
Reconciliation of opening and closing balances of the fair value of scheme assets		
Fair value of scheme assets at beginning of year	12,136	11,440
Interest income on scheme assets	205	295
Return on assets (excluding interest income)	(518)	537
Contributions by employers	567	567
Benefits paid (excluding expenses)	(571)	(533)
Scheme administrative cost (i.e. expenses paid)	<u>(106)</u>	<u>(170)</u>
Fair value of scheme assets at end of year	<u>11,713</u>	<u>12,136</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2020

19. PENSIONS (continued)

	2020 £'000	2019 £'000
Amounts recognised in the Statement of Financial Activities		
Service cost – administrative cost (i.e. expenses paid)	106	170
Net interest on the net defined benefit liability	42	42
	<u>148</u>	<u>212</u>
Total amount charged to the Statement of Financial Activities		
	<u>2020 £'000</u>	<u>2019 £'000</u>
Remeasurements of the net defined benefit liability to be shown in SOFA		
Actuarial losses on the liabilities	1,321	1,791
Return on assets (excluding interest income)	518	(537)
	<u>1,839</u>	<u>1,254</u>
Total remeasurement of the net defined benefit liability to be shown in SOFA		

Information about the type of scheme and funding policy

The scheme provides pensions in retirement and death benefits to members. Pension benefits are linked to members' final salary at the date of leaving employment and their length of service up to the date on which the scheme closed to future accrual, 1 January 2016.

The scheme is a registered scheme under UK legislation and is subject to the scheme funding requirements outlined in UK legislation.

The scheme was established from 1 June 1989 under trust and is governed by the scheme's definitive trust deed and rules dated 5 July 2001. The trustees are responsible for the operation and governance of the scheme, including making decisions regarding the scheme's funding and investment strategy.

Information about the most recent actuarial valuation of the defined benefit obligation at the accounting date

The most recently completed formal actuarial valuation of the scheme was at 31 August 2017. This showed that on that date, the value of the technical provisions was £21.857m and the value of the assets was £17.247m, giving rise to a deficit of £4.61m.

The value of the liabilities has been estimated by updating the results of the actuarial valuation as at 31 August 2017 to allow for the passage of time, actual inflation experience, benefits paid out of the scheme and changes in actuarial assumptions over the period from 31 August 2017 to 31 August 2020.

Such an approach is normal for the purpose of accounting disclosures. It is not expected that these projections will be materially different from the summation of individual calculations at the accounting date, although there may be some discrepancy between the actual liabilities for the scheme at the accounting date and those included in the disclosures.

The next formal actuarial valuation of the scheme is due as at 31 August 2020 but is not expected to be published until November 2021.

b) Teaching Staff Pension Scheme

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 £2,646,000 (2019: £1,759,000) and at the year-end £Nil (2019: £Nil) was accrued in respect of contributions to this scheme.

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

19. PENSIONS (continued)

b) Teaching Staff Pension Scheme (continued)

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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed, 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.

c) Defined Contribution Pension Scheme

The School pays into a defined contribution scheme for non-teaching staff. The superannuation charge represents the School's contributions to the scheme of £400,000 (2019: £390,000). There were no contributions outstanding at the year-end (2019: £Nil).

20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2020 £'000	2019 £'000
Net income	3,981	6,281
Elimination of non-operating cash flows:		
Dividend income	(88)	(75)
Interest receivable	(478)	(496)
Defined benefit pension scheme adjustments	(419)	(355)
Depreciation charge	3,045	2,530
Gains on investments	(78)	(137)
Losses on disposal of tangible fixed assets	-	175
Increase in stock	(11)	(8)
Decrease/(increase) in debtors	76	(143)
(Decrease)/increase in creditors (excluding fees in advance scheme, hire purchase and refundable deposits)	(1,659)	2,181
(Decrease)/increase in provisions	(232)	423
Decrease in fees in advance scheme creditors	-	(17)
Increase in refundable deposits	92	117
Net cash inflow from operations	<u>4,229</u>	<u>10,476</u>
21. ANALYSIS OF CASH AND CASH EQUIVALENTS	2020 £'000	2019 £'000
Cash in hand and instant access bank accounts	11,248	12,161
Notice and fixed term deposit accounts	50,281	52,071
	<u>61,529</u>	<u>64,232</u>

22. RELATED PARTY TRANSACTIONS

The following transactions occurred during the year with related parties:

The Mercers' Company granted £30,000,000 for the School's redevelopment payable over 10 years effective 31 August 2011, ending 31 August 2020. The tenth and final instalment of £3,000,000 was received during the current year through St Paul's Schools Foundation.

The School paid rent of £1,000 (2019: £1,000) to St Paul's Schools Foundation during the year.

Donations received from Governors without conditions during the year ended 31 August 2020 totalled £4,875 (2019: £146).

Nicola Doyle and Alison Palmer are Governors and parents of a boy each at the School. These Governors pay fees for their sons at the standard published rates for all boys.

Veryan Exelby was appointed as a Governor of the School on 1 July 2020. She is a partner at Farrer & Co who provide legal services to the School. From 1 July to 31 August 2020, total legal fees incurred for services provided by Farrer & Co were £4,010. As at 31 August 2020, the amount due to Farrer & Co was £Nil.

During the year ended 31 August 2020, a donation of £750 (2019: £Nil) was made to a school affiliated to the Mercers' Company in support of a fundraising campaign.

There are no other related party transactions for the years ended 31 August 2020 or 2019.

23. CONTINGENT ASSETS

An amount of £Nil (2019: £225,000) was received during the financial year in respect of an ongoing legacy. The School is also due to receive the balance of the estate but, as the income cannot be measured reliably, no amounts have been recognised in the Statement of Financial Activities.

24. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total funds £'000
Income and endowments from:				
Charitable activities				
School fees receivable	32,551	-	-	32,551
Ancillary trading income	1,940	-	-	1,940
Other trading activities				
Non-ancillary trading income	263	-	-	263
Investments				
Investment income	2	73	-	75
Bank and other interest	496	-	-	496
Voluntary sources				
Donations and legacies	358	5,546	-	5,904
Total income	35,610	5,619	-	41,229
Expenditure on:				
Raising funds				
Non-ancillary trading	4	-	-	4
Financing costs	1,018	-	-	1,018
Investment management	10	-	-	10
Fundraising and development	1,015	-	-	1,015
	2,047	-	-	2,047
Charitable activities				
Education and grant making	31,904	1,134	-	33,038
Total expenditure	33,951	1,134	-	35,085
Net income from operations before investment (losses)/gains and transfers	1,659	4,485	-	6,144
Net (losses)/gains on investments	(10)	59	88	137
Transfers between funds	4,507	(4,507)	-	-
Net income	6,156	37	88	6,281
Other recognised losses				
Pension scheme actuarial losses	(1,254)	-	-	(1,254)
Net movement in funds	4,902	37	88	5,027
Fund balances at 1 September 2018	99,852	5,811	2,623	108,286
Fund balances at 31 August 2019	104,754	5,848	2,711	113,313

