

ST PAUL'S SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Registered Company Number: 06141973
Registered Charity Number: 1119619

ST PAUL'S SCHOOL

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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ST PAUL'S SCHOOL

CHAIR OF GOVERNING BODY'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

I had the honour to assume the chair of governors from Mr John Robertson in January 2021 and to work with the High Master in her first year in office. The School is grateful for Mr Robertson's excellent leadership of the governing board over many years which has contributed significantly to the continuing success of the School.

During the course of the year the School returned from remote learning to in person teaching, and was also able to gradually re-introduce a full co-curricular programme, as with other schools. The impact of coronavirus on the School has been significant both for the individuals affected directly and for the pupil body as a whole. We continue to monitor the effect on the physical and mental health of members of the School community. The School has made every effort to help those affected return to a full School life.

During the second period of national lockdown in the Spring term 2021, we were able to make cost savings which were passed back to parents by way of a 8% fee rebate for the term. Parents were, once again, given the opportunity to donate their fee rebate to the Hardship Fund and we are extremely grateful that a further £52,000 was raised, including gift aid. During the year, a total of £133,000 of the Fund was distributed to 18 families and over 25 families were assisted with fee payment plans. The remaining funds (£162,000) are being held for future hardship and bursary applications as required.

It is a testament to the inspiring leadership of Mrs Sally Anne Huang, our first woman High Master, and the School executive and staff that the School remains overall in good health with significant learning in the delivery of remote tuition and support. Whilst periods of lockdown were a challenge, we have acquired valuable knowledge which is already being applied to remote learning technology applications to spread the benefits of the School's excellent academic teaching more widely.

The indomitable spirit of Paulines proved to be intact on the return to School and we are proud of our pupils for their success at the end of the year. At A Level and Pre-U, 77% of grades awarded were A* (or equivalent) and 95% were A* or A (or equivalent). At GCSE and IGCSE, 81% of grades awarded were at Grade 9 and 94% were Grade 8 or 9. In addition to showing academic prowess, we salute our pupils for their enthusiastic return to extra-curricular activities, sporting and artistic. For a full list of outstanding pupil achievements for the 2020/21 academic year, please refer to the School website – www.stpaulsschool.org.uk/about-st-pauls/news/ or click on this [link](#).

The School welcomed the spotlight shone on unwelcome misogynist behaviour evidenced in the "Everyone's Invited" online forum and this generated discussion, formal and informal, throughout the School. The High Master and executive had already initiated a review of the School's relationship education and the discussions informed the outcomes of this review which have been implemented successfully. This forms a key part of the School's commitment to educating our pupils to be good citizens upholding the highest standards of behaviour, as well as achieving academic, athletic and artistic success.

The High Master, the Surmaster, the Head of the Junior School and the Finance Director led the governors in a day of discussion in May 2021 and reviewed the School's strategy and goals centred around the themes of continuing academic excellence, financial stability and public benefit. These have been translated into focussed whole School objectives which will guide the School's continuing development. We hope that this will result in continuing growth of the School's academic leadership, the strengthening of the extra-curricular content of the School's education, the completion of the School's rebuilding programme with new Junior School and boarding provision, as well as a focus on adding and improving access to the School through bursary funding, admission procedures and School outreach to the wider community, while maintaining financial strength in the context of limiting fee increases. These are challenging and exciting goals which will test the School's leadership and the High Master is to be applauded for leading this initiative in her first year in office.

ST PAUL'S SCHOOL

CHAIR OF GOVERNING BODY'S STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

At the end of the year, as we have been reviewing and improving the School's governance, I must express my gratitude to the School's governors who have welcomed me into office as chair and have given unstintingly of their time to the School. However, the School's success is really the result of an outstanding teaching faculty and pupil body who have maintained the standards of excellence in the face of a challenging year and for that all on the governing body are grateful and appreciative.



Richard Cassell
Chair of Governors

9 December 2021

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 / 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 to 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.

STRATEGIC REPORT (continued)

OBJECTS, AIMS AND OBJECTIVES (continued)

Objectives to Achieve the Aims for the Year (continued)

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, evaluate the acceptance rate at 7+ / 8+ / 11+ and develop strategies to ensure we have the right boys joining the School at each stage. Evaluate and build upon the induction process for pupils at each entrance point to ensure that the transition is smooth and positive.
8. Seek ways to increase awareness of equality and diversity in a Pauline education.

Community / Partnerships

9. Deliver on the KPIs for 2020-21 contained in the five year £20m 'Shaping our Future' fundraising campaign.
10. 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.
11. Establish a mechanism for valuing the School's total annual contribution to public benefit.
12. Build stronger post COVID-19 relationships with local schools to support them and learn from them.

Finance / Operations / Redevelopment

13. Manage the finances as prudently as possible during the COVID-19 crisis, providing fee support where possible and appropriate to parents.
14. Review the plans for the reconstruction of SPJ, and determine the course of action.
15. Review the plans 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 and e-Technology post the COVID-19 crisis.

These objectives were put together on the basis of a normal academic year, and the impact of the COVID-19 pandemic must be taken into account. That being said, all of the 2020-21 whole School objectives have been completed with the exception of numbers five and 16 above.

The cancellation of public examinations for both 2020 and 2021 resulted in a curriculum review being placed on hold. With the appointment of a new Director of Teaching and Learning, this will be a priority for 2021-22.

Commercial lettings will form part of a renewed focus on commercial income generation now that COVID-19 restrictions have been lifted. e-Technology will be considered as part of the School's development of its use of intellectual property, with a working group formed for 2021-22.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Operational Performance of the School

In 2021, examination results were awarded through Teacher 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. In 2021, at A Level and Pre-U, 77% of grades awarded were A* (or equivalent) and 95% were A* or A (or equivalent). 98.5% of the 2020 leavers went to university and 49.5% to universities ranked in the QS World top 20 universities. 13.5% of the cohort study at universities abroad, including Harvard, Chicago, Columbia and Yale. Oxford, UCL, Durham, Bristol, Edinburgh and Cambridge were the most popular UK destinations in rank order. 35 took up places at Oxbridge. At GCSE and IGCSE, 81% of grades awarded were at Grade 9 and 94% were Grade 8 or 9.

Applications to the School at the main entry points of 7+, 11+, 13+ and 16+ remain very high. The number of pupils on bursary support has grown again, moving from 121 to 130 in the 2020/21 academic year, with 104 of these awards at over 75%. The pupils of the School continue to fundraise for bursaries and this year also saw our first Giving Day. The School was a founding member of the West London Partnership and, in response to the pandemic, has further grown partnerships with state schools through the provision of a STEM catch up school and the development of a peer on peer mentoring app – Colet Mentoring – with two former pupils. Both of these projects have been supported financially by the Mercers' Company.

The need to run the School in line with government guidance concerning Covid Management was a major factor in the 2020/21 academic year. On-line education, when needed, was of a high standard and pupils engaged with this consistently. Use of the School site was reconfigured to allow for the 'bubbling' of year groups and the co-curricular programme was adjusted to allow for as many activities as possible, delivered in a 'COVID-compliant' way. Pupils were still able to achieve nationally at the highest level. This included reaching the final of the Princess Elizabeth Challenge Cup at Henley, winning awards for chess and athletics and performing in on-line concerts and plays.

Outstanding Achievements 2020/21

For a full list of outstanding pupil achievements for the 2020/21 academic year, please refer to the School website – www.stpaulsschool.org.uk/about-st-pauls/news/ or click on this [link](#).

Principal Activities of the Year (including Public Benefit)

The total number of pupils at the School was 1,484, of whom 496 were at St Paul's Juniors and 988 at St Paul's (SPS). Of the total number, 130 (2020: 121) pupils were assisted with means tested bursaries. 80% (2020: 62%) 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 2021 were £2,698,000 (2020: £2,097,000) representing 7.4% (2020: 5.9%) of gross School fees. Widening access to the School, through increased bursary support as necessary, remains a priority and, for the 2021/22 academic year, there are currently 144 pupils being assisted with means tested bursaries, with 81% 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.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Charitable Activities and Partnerships

Charity

The St Paul's Charity Committee (made up of staff, parents and pupils), set up in June 2019, has worked hard to fundraise for and increase awareness about our chosen local charities (Castelnau Community Centre, City Harvest, FiSH and Thames21), UK Charity of the Year (CRISIS UK) and international charities (Beyond Ourselves and Senahasa Trust). With the difficulties of the COVID-19 pandemic in the academic year 2020-21, it was difficult to hold events and many charities suffered as a result. At SPS, we put on a series of virtual activities and showpieces to make sure charity at the school is as relevant as ever.

The SPS Pauls4All Charity Committee for 2020-21 led a series of campaigns which were aimed at educating the School community about the charities we support. Mufti days were vital in relaying this message, and it was heart-warming to see parents and pupils respond by giving generously. Perhaps the most successful events, however, were the sponsored games half (run in February 2021 – every pupil was asked to complete a small amount of exercise during their games half and to ask for sponsorship for whatever they completed) and the panel events. The latter of these involved representatives from each of our charities discussing the great work they do, initially to the whole L8th year as part of their volunteering afternoon, and then to the wider School community as a lunchtime talk. We also ran the first ever staff vs pupil Virtual University Challenge, giving it a charitable twist, with a message from the Head of Charities at the beginning and several charity-themed questions. The total raised by students across SPS/SPJ during the 2020-21 academic year was approximately £20,000.

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

Academic Partnerships	Community Partnerships
Music String Day (cancelled due to COVID-19)	Capsize Drills for local rowing clubs (cancelled due to COVID-19)
Chemistry – Year 10 – 4 week Saturday programme (cancelled due to COVID-19)	Lowther School weekly swimming (cancelled due to COVID-19)
144 hours of online Oxbridge preparation for Year 13 (150)	FiSH Concert
Residential Material Science School	Westside Basketball Club (cancelled due to COVID-19)
Residential Particle Physics School in partnership with Queen Mary's University	Castelnau Community Centre Homework Club (cancelled due to COVID-19)
Latin Cohorts preparing for GCSE (3 year groups of 15) moved to online teaching	Chance to Shine
Biology – 3 week Saturday Programme (cancelled due to COVID-19)	Secondary School (PRUs) Rugby with Dallaglio Rugbyworks charity (cancelled due to COVID-19)
Material Sciences – 2 week Saturday Programme (cancelled due to COVID-19)	Barnes Literary Festival – supported live festival
SPS MUN – Model United Nations weekend (cancelled due to COVID-19)	World Cup Day (cancelled due to COVID-19)
University Day Online – advice about university applications (200)	Chance to Shine Cricket Day (cancelled due to COVID-19)
First Medics Masterclasses – students applying to study medicine (24)	Micro Adventure (cancelled due to COVID-19)
One day online Medical Conference (83)	State schools sports day provisions (cancelled due to COVID-19)
One day Economics Conference (cancelled due to COVID-19)	Rowing Camp with Fulham Reach (Holiday Hunger) (cancelled due to COVID-19)
Geography Conference (cancelled due to COVID-19)	SPS pupils recorded a Carol Concert which was played in a local care home
One day Student Exchange Y12 (cancelled due to COVID-19)	
Primary School Philosophy for Children (cancelled due to COVID-19)	

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

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Charitable Activities and Partnerships (continued)

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 has extended 66 invitations to all partnership schools in and outside of the West London Partnership for our Topical Tuesdays, online society talks and specialist one off lectures. 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 schools but 13 different countries were represented).

Colet Mentoring: St Paul's has developed a first of its kind peer learning app to support with COVID catch up and beyond. Over 2,000 sessions (average length 20-30 minutes) have been run on the platform with around 30 schools involved across the UK and as far afield as South Sudan.

Google Classroom Mentoring Maths and Science: During the year SPS pupils supported Fulham Boys School, Christ's School and Hammersmith Academy with support in Maths and Science live on Google Classroom. SPS L8th pupils supported younger partnership pupils whilst they worked through Maths and Science questions. Classes were supervised by SPS staff and maintained school staff to comply with School policy.

West London Partnership: As part of the School's partnership strategy, this local private-state partnership was established formally in May/June 2020 with five independent schools and four local state schools. The Start-it Entrepreneurship programme has been embedded into the partnership (all occurring virtually during the 2020-21 academic year) as well as much of the existing partnership and outreach work.

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.

STREAMLINED ENERGY AND CARBON REPORTING

In accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, the School's energy usage and emissions for the year ended 31 August 2021 were as follows:

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

STREAMLINED ENERGY AND CARBON REPORTING (continued)

	2021	2020
UK energy use in kWh	7,376,221	5,254,277
Associated Greenhouse Gas emissions in Tonnes CO ₂	1,435	1,075
Intensity ratio (kilogram of CO ₂ per meter squared of gross internal area)	48.41	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 (REGO) backed electricity across all School electricity supplies in a positive shift towards reducing Greenhouse Gas emissions. The non-half-hourly electricity meters are being upgraded to smart meters in a bid to visualise energy consumption, identify potential waste and reduce consumption.

Gas metering had been equipped with Automatic Meter Reader data collection. Since the contracted energy supplier has exited the UK energy market, the AMR has suffered a knockback and a revised strategy is being put in place for the monitoring of gas consumption. This was unfortunate, as the timing coincided with the first national COVID-19 lockdown and subsequent reopening of the School, where improved ventilation requirements for the safe operation of the School, and a particularly cold Spring 2021, resulted in a significant increase in gas consumption when compared with 2019-20.

The School has heavily invested in building improvements and continues to invest in LED lighting controls and sensors on a rolling programme, the replacement of the Building Management System, replacement boilers and solar PV in a bid to reduce energy consumption and emissions of CO₂. Future major investment plans include the St Paul's Juniors rebuilding project and a new Sports Pavilion which will have Solar PV Arrays installed, the installation of 12 electric vehicle charging points with solar ports and replacing the Grounds maintenance vehicle with an electric alternative. Other initiatives planned to be implemented from the ESOS Phase II report are currently under review, pending the upgrade of metering.

FUTURE PLANS

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

Education: Academic and Pastoral

1. Character Education to be embedded in the fabric of the School culture.
2. Growth of co-educational academic and co-curricular opportunities through collaboration with St Paul's Girls' School and other schools.
3. The percentage of Paulines achieving a place at their first choice Higher Education institution to be maximised.
4. Curriculum development to promote appropriate choice, opportunity, support and achievement for all pupils.
5. Continued review and development of the School's pastoral care structures and safeguarding systems.

Admissions and Accessibility

6. For there to be a whole School approach to admissions attracting the best candidates, including scholars, in line with the changing nature of the London market.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

FUTURE PLANS (continued)

7. Bursary offer to be based on sound principles of a wholly inclusive package of support to those most in need.
8. The School to provide a transformative educational experience for bursary pupils.
9. The School to be established as a sector leader in partnership work, delivering accountable public benefit and driving interest in admissions and bursaries.
10. Deliver on the annual target for the Shaping Our Future campaign with continued high level of engagement of parents and Old Paulines.
11. Strengthen Old Pauline relations.
12. Deliver a comprehensive programme of events and engagement to build the community.

Financial Security

13. To establish a financial strategy that informs budgetary process and assures long-term financial security.
14. Initiatives for commercial income to be properly established, providing reliable income streams with potential for future growth.
15. Income generation from boarding to be maximised, understanding its pastoral function will always take priority.
16. Building programmes to deliver modern spaces fit for purpose enabling the highest quality, inspirational teaching and buildings.

RISK MANAGEMENT

The Governing Body is responsible for identifying and addressing risks.

A key priority for the year was establishing strong leadership of the School following the change in key personnel, especially the High Master (in September 2020) and Chair of Governors (in January 2021). This was made more of a challenge through the need to communicate remotely but the use of webinars, Google Meet and weekly letters to parents contributed to the success of establishing the new post holders.

Safeguarding and pastoral care remain a key risk and priority, especially in the light of the history of non-recent abuse which had emerged since 2014. The new High Master and Surmaster were trained in the support of survivors of abuse, have continued to respond to claims, and have taken responsibility for the implementation of recommendations from the Serious Case Review of January 2020. The emergence of the website 'Everyone's Invited' in March 2020 raised further concerns and the School produced an Action Plan in response to this as well as taking part in the Ofsted Review of Sexual Abuse in Schools and Colleges and a Rapid Review by Richmond LSCB. It remains the School's absolute priority to achieve the highest possible standards of safeguarding and to work with survivors and third-party experts to continue to evolve our work in this area.

Governors are also aware of the need for prudent financial management, following the re-building of the senior school over the past decade. Both savings and costs were carefully tracked during the pandemic and savings during periods of lockdown were returned to fee-payers – 8% during this academic year – with the option of allowing the School to retain the money for hardship awards. The pandemic saw the pause in building work but funds have been set aside for the rebuilding of the Junior School and, subsequent to that, a purpose-built boarding house. The School is also seeking to provide a sports pavilion on the East side of the site. Plans have begun to establish new commercial income streams, including through lettings.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

RISK MANAGEMENT (continued)

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 20 - 42 of this report. During the year there was a net increase in funds of £4,927,000 (2020: £2,142,000) bringing the total funds to £120,382,000 at 31 August 2021 (2020: £115,455,000). In addition to the School's operational surplus the main reasons for the increase in funds for the year were bursary donations, gains on investments and pension scheme actuarial gains.

The School's main income is from fees. The total income of £38,996,000 (2020: £40,533,000) consists of unrestricted income of £35,497,000 (2020: £35,242,000), restricted income of £3,299,000 (2020: £5,291,000) and endowed income of £200,000 (2020: £Nil). The restricted income funded bursaries, scholarships and prizes. The unrestricted income, in addition to fees, includes bank interest, trading income, Government grant income, donations and legacies and other categories such as rents received.

Within total expenditure of £37,162,000 (2020: £36,630,000), educational costs were the largest category of expenditure at £20,873,000 (2020: £21,839,000) followed by premises costs at £7,234,000 (2020: £6,304,000).

The School's finances continued to be monitored very closely during the year as a result of the continuation of the COVID-19 pandemic, and remain in a strong position, with the unrestricted net income for the year before investment gains and transfers increasing from £145,000 in 2020 to £545,000. Cost savings made in the Spring 2021 term were able to be passed on to parents by way of a 8% fee rebate. Over 25 (2020: 80) families were assisted with payment plans during the year and a further 18 (2020: 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 £120,382,000 (2020: £115,455,000) which included £108,490,000 of unrestricted funds (2020: £106,106,000), £8,396,000 of restricted funds (2020: £6,598,000) and £3,496,000 of endowed funds (2020: £2,751,000).

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;
- 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 £1,954,000 which impacts on the unrestricted reserves of the School. To address this deficit, the School has agreed to continue to make additional contributions totalling £606,000 per annum.

As at 31 August 2021, the School has negative free reserves of £5,841,000 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 £58,319,000 (2020: £57,184,000). 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.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

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, tobacco and direct investment in fossil fuel stocks. 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 £8,544,000 (2020: £5,217,000). 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 16.43% and 20.27% respectively in capital terms. The difference in performance reflects the different mandate for each investment manager. This performance is above the benchmarks of CPI plus 4.50% for Waverton and CPI plus 3.00% for Rathbones and is consistent with market conditions during the year.

Fundraising Practices

Despite the disruption of the pandemic, we are fortunate that in this year of challenge and adversity we have continued to receive strong support from our community and continued to raise money. Progressing our work on the £20 million 'Shaping our Future' Campaign launched in May 2019, we are able to report that the campaign is fully on track income wise (although the weighting of income in certain priority areas differs from forecast). The initiative centres around three key areas of focus: Excellence without Exclusivity (widening access), Working in Partnership and Building to Inspire (the Sports Pavilion and the Boathouse - both of which will also support our agenda to increase our partnership work, and also diversify income). We have raised £13m to date (£3.9m in 2020/21 against a target of £3.7m), with the vast majority towards our bursaries work. Our partnership income is below target which is directly linked to programme delivery and our ability to host prospect meetings. However, this has been made up by regular giving commitments to the bursary fund which have come out of more remote fundraising initiatives. We currently have 42% of our parent body supporting the campaign and 6% of alumni. The next two years will see concentrated efforts to increase take up.

On the capital front, due to the COVID-19 pandemic, we have held back on our fundraising work on the Boathouse but we are looking forward to consulting with our wider community and starting a focused fundraising appeal in the near future. Through three generous donations we are now within £750,000 of the monies we need to rebuild the Sports Pavilion, however.

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	£2,085,763	£1,559,577	£3,730,299			

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

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Fundraising Practices (continued)

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.

<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	£115,063	£72,993			

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

£1,850,000 raised towards Sports Pavilion.

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. 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 4.

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) is also in place, 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.

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.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 until 31 August 2021 (except where otherwise stated), are:

John Robertson (*Chair*) (retired 31 December 2020)
Richard Cassell (*Chair from 1 January 2021*) (*Deputy Chair until 31 December 2020*)
Tim Haynes (*Deputy Chair from 1 January 2021*)
Sarah Barker
Nicola Doyle (*Health and Safety Governor and Educational Visits Governor*)
Veryan Exelby (*Safeguarding Governor*)
Adam Fenwick
Sir Simon Fraser GCMG (retired 16 December 2020)
Lord Grabiner QC
Harold Hampson
Professor Rose Luckin (retired 8 January 2021)
Samuel Newhouse
Alison Palmer
Sarah Thomas
Chris Vermont

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

Property Committee (merged with Finance Committee in October 2021):

Adam Fenwick (*Chair from 1 September 2020*)
John Robertson (until 31 December 2020)
Richard Cassell (from 1 January 2021)
Sally-Anne Huang * (from 1 September 2020)
Chris Vermont
Simon Taylor * (The Mercers' Company)

Education Committee:

Professor Rose Luckin (*Chair*) (until 8 January 2021)
Sarah Thomas (*Chair from 9 January 2021*)
John Robertson (until 31 December 2020)
Nicola Doyle
Tim Haynes

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Finance Committee:

Chris Vermont (*Chair until 31 August 2021*)
Harold Hampson (*Chair from 1 September 2021*)
Richard Cassell (from 1 January 2021)
Adam Fenwick
Samuel Newhouse
Alison Palmer
John Robertson (until 31 December 2020)

Nominations and Remuneration Committee:

Alison Palmer (*Chair*)
Richard Cassell (from 1 January 2021)
John Robertson (until 31 December 2020)
Adam Fenwick
Tim Haynes

Access, Development and Partnerships Committee:

Alistair Summers * (*Chair co-opted*)
Richard Cassell (from 1 January 2021)
John Robertson (until 31 December 2020)
Tom Adeyoola * (from 18 November 2020)
Sarah Barker
Sir Lloyd Dorfman * (until 8 July 2021)
Adam Fenwick
Sir Simon Fraser GCMG (until 16 December 2020)
Samuel Newhouse (from 18 November 2020)

Safeguarding Committee:

Veryan Exelby (*Chair*)
Nicola Doyle
Professor Rose Luckin (until 8 January 2021)
Sarah Thomas
Ibe Akoh * (until 8 July 2021)
Nick Arnold * (from 1 September 2020)
Francis Clough * (from 1 September 2020)
Paul Doyle * (from 1 January 2021)
James Gilks * (until 8 July 2021)
Sally-Anne Huang * (from 1 September 2020)
Clare Kelly * (from 1 September 2021)
Alison Macleod *
Sam Madden *
Naomi McLaughlin * (until 8 July 2021)
Sophie Rees * (until 8 July 2021)
Maxine Shaw *
Nick Watkins *
Alistair Wilkinson * (until 8 July 2021)
Shelagh Willis * (until 31 August 2021)

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key Management Personnel:

High Master:	Sally-Anne Huang (from 1 September 2020)
Surmaster, St Paul's:	Francis Clough (from 1 September 2020)
Head, St Paul's Juniors:	Maxine Shaw
Finance Director:	Steven Grace
Project Director:	Hayley Richardson (until 15 January 2021)

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. This Committee was merged into the Finance Committee in October 2021;
- (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 Committee is also responsible for the School's portfolio of investments, establishing and following the investment policy and making investment decisions;
- (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.

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.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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:	Hettle Andrews & Associates Limited Eleven Brindleyplace 2 Brunswick Square Brindleyplace Birmingham B1 2LP	
Website: St Paul's School	www.stpaulsschool.org.uk	

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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:



Richard Cassell
Chair of Governors

9 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S SCHOOL

Opinion

We have audited the financial statements of St Paul's School for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cashflows 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 2021 and of the 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.

Conclusions relating to going concern

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

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' Report and Chair of Governing Body's Statement. 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 includes 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S SCHOOL (continued)

- 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.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 17 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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP 2019), and considered other factors such as payroll taxes and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of revenue and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with significant balances, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 14.12.21

10 Queen Street Place
London
EC4R 1AG

ST PAUL'S SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Charitable activities						
School fees receivable	2	33,999	-	-	33,999	32,567
Ancillary trading income	3	759	-	-	759	1,567
Other trading activities						
Non-ancillary trading income	4	130	-	-	130	181
Investments						
Investment income		-	99	-	99	88
Bank and other interest		175	-	-	175	478
Voluntary sources						
Donations, legacies and grants	5	426	3,200	200	3,826	5,652
Other income						
Surplus on disposal of fixed assets		8	-	-	8	-
Total income		35,497	3,299	200	38,996	40,533
Expenditure on:						
Raising funds						
Non-ancillary trading		5	-	-	5	5
Financing costs	8	1,553	-	-	1,553	1,501
Investment management		25	-	-	25	40
Fundraising and development		857	-	-	857	912
		2,440	-	-	2,440	2,458
Charitable activities						
Education and grant making		32,512	2,210	-	34,722	34,172
Total expenditure	7	34,952	2,210	-	37,162	36,630
Net income from operations before investment gains and transfers						
		545	1,089	200	1,834	3,903
Net gains on investments	10	-	732	545	1,277	78
Transfers between funds		23	(23)	-	-	-
Net income		568	1,798	745	3,111	3,981
Other recognised losses						
Pension scheme actuarial gains/(losses)	19	1,816	-	-	1,816	(1,839)
Net movement in funds		2,384	1,798	745	4,927	2,142
Reconciliation of funds						
Fund balances at 1 September 2020		106,106	6,598	2,751	115,455	113,313
Fund balances at 31 August 2021	18	108,490	8,396	3,496	120,382	115,455

The attached notes on pages 24 to 42 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 2020.

ST PAUL'S SCHOOL

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	2021 Unrestricted and restricted funds £'000	2020 Unrestricted and restricted funds £'000
Income from:		
Charitable activities		
School fees receivable	33,999	32,567
Ancillary trading income	759	1,567
Other trading activities		
Non-ancillary trading income	130	181
Investments		
Investment income	99	88
Bank and other interest	175	478
Voluntary sources		
Donations, legacies and grants - unrestricted	426	449
Donations, legacies and grants - restricted	3,200	5,203
Other income		
Surplus on disposal of fixed assets	8	-
Total income	38,796	40,533
Expenditure on:		
Raising funds		
Non-ancillary trading	5	5
Financing costs	1,553	1,501
Investment management	25	40
Fundraising and development	857	912
	2,440	2,458
Charitable activities		
Education and grant making	34,722	34,172
Total expenditure	37,162	36,630
Net income before investment gains	1,634	3,903
Net gains on investments	732	38
Net income	2,366	3,941

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 20 and its presentation is required under the Companies Act 2006.

The attached notes on pages 24 to 42 form an integral part of these financial statements.

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	9	109,331	110,888
Investments	10	8,544	5,217
		<u>117,875</u>	<u>116,105</u>
Current assets			
Stock		94	97
Debtors	11	1,077	1,097
Cash at bank and in hand		61,399	61,529
		<u>62,570</u>	<u>62,723</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(4,251)	(5,539)
Net current assets		<u>58,319</u>	<u>57,184</u>
Total assets less current liabilities		<u>176,194</u>	<u>173,289</u>
Creditors: amounts falling due after more than one year	13	(53,758)	(53,477)
Provisions for liabilities and charges	14	(100)	(235)
Net assets excluding pension liability		<u>122,336</u>	<u>119,577</u>
Pension scheme liability	19	(1,954)	(4,122)
Net assets		<u><u>120,382</u></u>	<u><u>115,455</u></u>
FUNDS			
Endowment funds	18	3,496	2,751
Restricted funds	18	8,396	6,598
Unrestricted funds	18	110,444	110,228
Total funds before pension reserve		<u>122,336</u>	<u>119,577</u>
Pension scheme funding reserve	18	(1,954)	(4,122)
Total funds		<u><u>120,382</u></u>	<u><u>115,455</u></u>

The financial statements were approved and authorised for issue by the Governors on 9 December 2021 and were signed below on its behalf by:



Richard Cassell
Chair of Governors



Harold Hampson
Chair of Finance Committee

The attached notes on pages 24 to 42 form an integral part of these financial statements.

ST PAUL'S SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021	2020
		£'000	£'000
Net cash inflow from operations			
Net cash provided by operating activities	20	3,412	4,229
Cash flows from investing activities			
Payments for tangible fixed assets	9	(1,954)	(7,289)
Proceeds from sale of tangible fixed assets		8	-
Payments for investments	10	(2,050)	(185)
Investment income and bank and other interest received		274	566
Net cash used in investing activities		(3,722)	(6,908)
Cash flows from financing activities			
New endowments		200	-
Repayment of obligations under hire purchase contracts		(20)	(24)
Net cash provided by/(used in) financing activities		180	(24)
Change in cash and cash equivalents in the reporting period		(130)	(2,703)
Cash and cash equivalents at the beginning of the reporting period		61,529	64,232
Cash and cash equivalents at the end of the reporting period	21	61,399	61,529
Analysis of movements in net cash			
		2020 £'000	Cash flows £'000
Cash at bank and in hand		61,529	(130)
Total cash and cash equivalents		61,529	(130)
Hire purchase contracts		(97)	20
Private Placement funding falling due after one year		(50,000)	-
Total		11,432	(110)

The attached notes on pages 24 to 42 form an integral part of these financial statements.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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") – 2nd Edition effective 1 January 2019. 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 2021. 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.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2021 £'000	2020 £'000
Fees receivable consist of:		
School fees	36,250	35,439
Add: bad debts recovered	4	3
Less: Spring term 2021 / Summer term 2020 fee rebate	(1,067)	(1,639)
Less: total bursaries, grants and allowances	(3,285)	(2,611)
	<u>31,902</u>	<u>31,192</u>
Add: scholarships, grants, etc. received from restricted funds	2,097	1,375
	<u>33,999</u>	<u>32,567</u>
Included within total bursaries, grants and allowances are means-tested bursaries of £2,698,000 paid to 130 pupils (2020: £2,097,000 paid to 121 pupils). 80% (2020: 62%) of these awards were either full fee or higher than 75% of fees.		
3. CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME	2021 £'000	2020 £'000
Fee extras (including School trips)	489	1,252
Entrance and registration fees	240	216
Tuck shop sales income	4	60
Commissions and other income	26	39
	<u>759</u>	<u>1,567</u>
4. OTHER TRADING - NON-ANCILLARY TRADING INCOME	2021 £'000	2020 £'000
Hire of School facilities	74	83
Rental income	12	67
External training income	42	31
Merchandise income	2	-
	<u>130</u>	<u>181</u>
5. DONATIONS, LEGACIES AND GRANTS	2021 £'000	2020 £'000
Donations for:		
Bursaries	2,909	1,893
Prizes and other awards	5	1
Rebuilding fund	2	3,023
Other	404	338
	<u>3,320</u>	<u>5,255</u>
Legacies	350	7
Government grant income (CJRS)	156	390
	<u>3,826</u>	<u>5,652</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

6. STAFF COSTS

	2021	2020
	£'000	£'000
The aggregate payroll costs for the year were as follows:		
Wages and salaries	16,984	17,266
Social security costs	2,023	2,079
Pension costs:		
Defined contribution scheme	376	400
Defined benefit scheme	220	154
Teachers' Pension Scheme	2,681	2,646
Medical insurance	98	102
Consultancy costs	127	137
Contract staff costs	826	569
Recruitment costs	89	108
Other	20	22
Redundancy / termination payments	43	114
	23,487	23,597

None of the Governors received any remuneration or other benefits (2020: none).

Aggregate employee benefits of key management personnel	1,061	1,258
	2021	2020
	Number	Number

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

£60,000 - £69,999	49	50
£70,000 - £79,999	49	48
£80,000 - £89,999	20	22
£90,000 - £99,999	4	4
£100,000 - £109,999	1	-
£110,000 - £119,999	-	1
£120,000 - £129,999	3	3
£140,000 - £149,999	2	2
£150,000 - £159,999	-	1
£200,000 - £209,999	-	1
£210,000 - £219,999	1	-
£270,000 - £279,999	1	-
£330,000 - £339,999	-	1

Of the above staff members 125 (2020: 126) have benefits accruing under defined benefit pension schemes and five (2020: seven) have benefits accruing under the defined contribution scheme. Employer's contributions for the defined contribution scheme were £49,300 (2020: £71,267).

The average number of the School's employees during the year calculated on a full time equivalent basis was 300 (2020: 291) and on a head count basis was 359 (2020: 352).

Full time equivalent basis	2021	2020
	Number	Number
Teaching	195	183
Welfare	4	4
Premises	29	30
Support	62	64
Other	10	10
	300	291

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

6. STAFF COSTS (continued)

Head count basis	2021 Number	2020 Number
Teaching	221	212
Welfare	7	8
Premises	36	32
Support	83	88
Other	12	12
	<u>359</u>	<u>352</u>

7. ANALYSIS OF TOTAL EXPENDITURE

2021	Staff costs £'000	Other £'000	Depreciation £'000	Total 2021 £'000
Costs of raising funds				
Non-ancillary trading	-	5	-	5
Financing costs (note 8)	59	1,494	-	1,553
Investment management	-	25	-	25
Fundraising and development	631	226	-	857
	<u>690</u>	<u>1,750</u>	<u>-</u>	<u>2,440</u>
Charitable activities				
Education	17,983	2,285	605	20,873
Welfare	222	1,366	8	1,596
Premises	2,028	2,308	2,898	7,234
Support costs and governance	2,564	245	-	2,809
Grants, awards and prizes	-	2,210	-	2,210
	<u>22,797</u>	<u>8,414</u>	<u>3,511</u>	<u>34,722</u>
Total expenditure	<u>23,487</u>	<u>10,164</u>	<u>3,511</u>	<u>37,162</u>
2020	Staff costs £'000	Other £'000	Depreciation £'000	Total 2020 £'000
Costs of raising funds				
Non-ancillary trading	-	5	-	5
Financing costs (note 8)	42	1,459	-	1,501
Investment management	-	40	-	40
Fundraising and development	643	269	-	912
	<u>685</u>	<u>1,773</u>	<u>-</u>	<u>2,458</u>
Charitable activities				
Education	18,255	3,059	525	21,839
Welfare	247	1,353	2	1,602
Premises	1,788	1,998	2,518	6,304
Support costs and governance	2,622	272	-	2,894
Grants, awards and prizes	-	1,533	-	1,533
	<u>22,912</u>	<u>8,215</u>	<u>3,045</u>	<u>34,172</u>
Total expenditure	<u>23,597</u>	<u>9,988</u>	<u>3,045</u>	<u>36,630</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

7. ANALYSIS OF TOTAL EXPENDITURE (continued)

Governance costs included in support costs:	2021 £'000	2020 £'000
Auditor's remuneration:		
For audit	34	33
For corporation tax	3	4
Staff costs	39	38
Legal and professional fees	84	73
Other	21	18
	<u>181</u>	<u>166</u>

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 £3,000 were made during the year ended 31 August 2021 (2020: £22,000). See note 14 for further information.

Four Governors (2020: five) were reimbursed travel, accommodation and other expenses amounting to £394 during the year (2020: £4,036). Amounts paid directly to third parties on behalf of Governors during the year amounted to £15,569 (2020: £13,477). 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	2021 £'000	2020 £'000
From restricted and endowed funds		
Bursaries and other awards	2,139	1,407
Prizes and leaving awards	71	126
	<u>2,210</u>	<u>1,533</u>

8. FINANCING COSTS	2021 £'000	2020 £'000
Private placement financing costs	1,458	1,458
Hire purchase interest	4	1
Net finance costs of defined benefit pension scheme	59	42
Provision for bad debts	32	-
	<u>1,553</u>	<u>1,501</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020	2,027	118,754	4,596	702	126,079
Additions	376	1,045	459	74	1,954
Disposals	-	-	(17)	-	(17)
At 31 August 2021	2,403	119,799	5,038	776	128,016
Depreciation					
At 1 September 2020	-	11,650	2,896	645	15,191
Charge for the year	-	2,817	662	32	3,511
Disposals	-	-	(17)	-	(17)
At 31 August 2021	-	14,467	3,541	677	18,685
Net book value					
At 31 August 2021	2,403	105,332	1,497	99	109,331
At 31 August 2020	2,027	107,104	1,700	57	110,888

As at 31 August 2021, the School has capital commitments of £329,120 (2020: £242,288) in relation to the School's rebuilding programme. The net book value of assets held under hire purchase contracts was £77,211 (2020: £117,495). The depreciation charge for the year was £40,284 (2020: £3,357).

10. INVESTMENTS	2021 £'000	2020 £'000
Listed investments:		
Valuation at 1 September 2020	5,217	4,954
Additions at cost	2,050	185
Net gains on investments	1,277	78
Valuation at 31 August 2021	8,544	5,217
Total investments at 31 August 2021	8,544	5,217
Investments comprise:		
Listed investments		
Equities	7,624	4,281
Bonds	367	301
Pooled investment vehicles	386	285
Cash holdings	167	350
Total investments at 31 August 2021	8,544	5,217
Cost of investments	6,845	4,795

Of the total investments of £8,544,000 (2020: £5,217,000), £3,056,000 (2020: £2,026,000) are held in the UK and £5,488,000 (2020: £3,191,000) are held overseas.

The School also has a £1 investment (2020: £1) in its subsidiary undertaking, St Paul's School Enterprises Limited, which was incorporated on 29 May 2019. The company has been dormant since incorporation.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

11. DEBTORS	2021 £'000	2020 £'000
Fees	24	64
Sundry debtors	359	36
Prepayments and accrued income	694	997
	<u>1,077</u>	<u>1,097</u>
12. CREDITORS: due within one year	2021 £'000	2020 £'000
Trade creditors	757	541
Fees received in advance	872	1,825
Refundable deposits (note 15)	468	496
Hire purchase contracts (note 15)	20	20
Other taxes and social security costs	11	14
Other creditors	265	564
Accruals and deferred income	1,858	2,079
	<u>4,251</u>	<u>5,539</u>

Deferred income brought forward as at 1 September 2020 was £64,000 (2019: £131,000) and carried forward as at 31 August 2021 was £159,000 (2020: £64,000). This mostly related to advance School bus income received. The amount released to the Statement of Financial Activities in the year was £64,000 (2020: £131,000).

13. CREDITORS: amounts falling due after more than one year	2021 £'000	2020 £'000
Fees received in advance	152	69
Refundable deposits (note 15)	3,549	3,331
Hire purchase contracts (note 15)	57	77
Private Placement funding	50,000	50,000
	<u>53,758</u>	<u>53,477</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 2021

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2021	2020
	£'000	£'000
As at 1 September 2020	235	467
Amounts utilised	(87)	(123)
Decrease in provision	(48)	(109)
	<u>100</u>	<u>235</u>
As at 31 August 2021	<u>100</u>	<u>235</u>

Provisions for liabilities and charges of £100,000 as at 31 August 2021 (2020: £235,000) relates to the best estimate of legal costs to be incurred subsequent to the year-end in respect of the historic abuse allegations. £48,000 of the provision was released as at 31 August 2021 (2020: £109,000) as it was no longer required.

15. REFUNDABLE DEPOSITS AND HIRE PURCHASE CONTRACTS

	Refundable deposits		Hire purchase contracts	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
After 5 years	1,562	1,432	-	-
Between 2 to 5 years	1,453	1,438	37	57
Between 1 to 2 years	534	461	20	20
	<u>3,549</u>	<u>3,331</u>	<u>57</u>	<u>77</u>
After more than 1 year	468	496	20	20
Within 1 year	<u>4,017</u>	<u>3,827</u>	<u>77</u>	<u>97</u>

16. OPERATING LEASE COMMITMENTS

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

	2021	2020
	£'000	£'000
As Lessee:		
Less than 1 year		
Photocopiers	48	48
Franking machines	20	20
Computers	30	13
Land and buildings	1	1
Between 1 and 2 years		
Photocopiers	48	48
Franking machines	20	20
Computers	27	13
Land and buildings	1	1
Between 2 and 5 years		
Photocopiers	36	84
Franking machines	30	50
Computers	6	10
Land and buildings	3	3
Over 5 years		
Land and buildings	756	757
	<u>1,026</u>	<u>1,068</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

**16. OPERATING LEASE COMMITMENTS
(continued)**

	2021 £'000	2020 £'000
As Lessor:		
Less than 1 year		
Land and buildings	39	39
Between 1 and 2 years		
Land and buildings	39	39
Between 2 and 5 years		
Land and buildings	-	39
	<u>78</u>	<u>117</u>
Amounts charged / (credited) to Statement of Financial Activities:		
Photocopiers	48	55
Franking machines	20	20
Computers	19	-
Land and buildings - expenditure	2	1
Land and buildings – income	(39)	(60)

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
2021					
Endowment funds	-	3,482	14	-	3,496
Restricted funds	-	5,062	3,334	-	8,396
Unrestricted funds	109,331	-	54,971	(55,812)	108,490
	<u>109,331</u>	<u>8,544</u>	<u>58,319</u>	<u>(55,812)</u>	<u>120,382</u>
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>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

18. FUNDS	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & Other Gains / (Losses) £'000	Balance 31 August 2021 £'000
Endowed funds					
Scholarship funds	270	200	-	76	546
Bursary funds	2,152	-	-	399	2,551
Prize funds	329	-	-	70	399
	<u>2,751</u>	<u>200</u>	<u>-</u>	<u>545</u>	<u>3,496</u>
Restricted funds					
Bursaries	3,537	2,989	(2,139)	553	4,940
Scholarships	118	6	(4)	18	138
Prizes and other funds	1,274	302	(67)	140	1,649
Rebuilding fund	1,669	2	-	(2)	1,669
	<u>6,598</u>	<u>3,299</u>	<u>(2,210)</u>	<u>709</u>	<u>8,396</u>
Unrestricted funds					
General reserve	110,228	35,497	(35,304)	23	110,444
Pension scheme funding reserve	(4,122)	-	352	1,816	(1,954)
	<u>106,106</u>	<u>35,497</u>	<u>(34,952)</u>	<u>1,839</u>	<u>108,490</u>
Total funds	<u>115,455</u>	<u>38,996</u>	<u>(37,162)</u>	<u>3,093</u>	<u>120,382</u>
COMPARATIVE FIGURES	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>

ST PAUL'S SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2021****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 £2,000 (2020: £3,023,000) 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 £Nil (2020: £7,000) and the purchase of new rowing boats of £21,000 (2020: £9,000), and the use of restricted income earned on endowed prize donations for the award of prizes to pupils of £Nil (2020: £6,000).

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 2022 are expected to be £606,000. 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 2021 by a qualified independent actuary. The full actuarial valuation due as at 31 August 2020 is still in progress. The major assumptions used by the actuary were (in nominal terms) as follows:

	2021 %	2020 %
Discount rate	1.60	1.50
Inflation assumption (RPI)	3.40	3.20
Inflation assumption (CPI)	3.10	2.70
Rate of increase in salaries	3.10	2.70
5% LPI pension increase assumption	3.10	2.70
2.5% LPI pension increase assumption	2.30	2.20

Assumed life expectancies on retirement at age 60 are:

Retiring today	Males	25.3	26.3
	Females	29.3	28.6
Retiring in 20 years' time	Males	26.8	27.8
	Females	30.8	30.1

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

19. PENSIONS (continued)

The assets in the scheme and their values were:

	2021	2020
	£'000	£'000
Equities	6,798	5,441
Cash and other assets	45	28
Secured pensions	261	355
Absolute return fund	6,342	5,889
	<u>13,446</u>	<u>11,713</u>

Fair value of scheme assets

The actual return on assets over the period was

1,855	(313)
<u>1,855</u>	<u>(313)</u>

The amounts recognised in the balance sheet are as follows:

	2021	2020
	£'000	£'000
Present value of funded obligations	(15,400)	(15,835)
Fair value of scheme assets	<u>13,446</u>	<u>11,713</u>

Deficit in funded scheme = net liability in balance sheet

(1,954)	(4,122)
<u>(1,954)</u>	<u>(4,122)</u>

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2021	2020
	£'000	£'000
Benefit obligation at beginning of year	15,835	14,838
Interest cost	234	247
Actuarial (gains)/losses	(136)	1,321
Benefits paid (excluding expenses)	(533)	(571)
	<u>15,400</u>	<u>15,835</u>

Benefit obligation at end of year

Reconciliation of opening and closing balances of the fair value of scheme assets

	2021	2020
	£'000	£'000
Fair value of scheme assets at beginning of year	11,713	12,136
Interest income on scheme assets	175	205
Return on assets (excluding interest income)	1,680	(518)
Contributions by employers	567	567
Benefits paid (excluding expenses)	(533)	(571)
Scheme administrative cost (i.e. expenses paid)	(156)	(106)
	<u>13,446</u>	<u>11,713</u>

Fair value of scheme assets at end of year

ST PAUL'S SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2021****19. PENSIONS (continued)**

	2021	2020
	£'000	£'000
Amounts recognised in the Statement of Financial Activities		
Service cost – administrative cost (i.e. expenses paid)	156	106
Net interest on the net defined benefit liability	59	42
	<u>215</u>	<u>148</u>
Total amount charged to the Statement of Financial Activities	<u>215</u>	<u>148</u>
	2021	2020
	£'000	£'000
Remeasurements of the net defined benefit liability to be shown in SOFA		
Actuarial (gains)/losses on the liabilities	(136)	1,321
Return on assets (excluding interest income)	(1,680)	518
	<u>(1,816)</u>	<u>1,839</u>
Total remeasurement of the net defined benefit liability to be shown in SOFA	<u>(1,816)</u>	<u>1,839</u>

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 2021.

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 £2,681,000 (2020: £2,646,000) and at the year-end £Nil (2020: £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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June 2021 on proposed changes to the cost cap mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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 cost cap mechanism review is 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 £376,000 (2020: £400,000). There were no contributions outstanding at the year-end (2020: £Nil).

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2021 £'000	2020 £'000
Net income	3,111	3,981
Elimination of non-operating cash flows:		
Dividend income	(99)	(88)
Interest receivable	(175)	(478)
Endowment donations	(200)	-
Defined benefit pension scheme adjustments	(352)	(419)
Depreciation charge	3,511	3,045
Gains on investments	(1,277)	(78)
Surpluses on disposal of tangible fixed assets	(8)	-
Decrease/(increase) in stock	3	(11)
Decrease in debtors	20	76
Decrease in creditors (excluding hire purchase and refundable deposits)	(1,177)	(1,659)
Decrease in provisions	(135)	(232)
Increase in refundable deposits	190	92
Net cash inflow from operations	<u>3,412</u>	<u>4,229</u>
21. ANALYSIS OF CASH AND CASH EQUIVALENTS	2021 £'000	2020 £'000
Cash in hand and instant access bank accounts	5,262	11,248
Notice and fixed term deposit accounts	56,137	50,281
	<u>61,399</u>	<u>61,529</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 year ended 31 August 2020 through St Paul's Schools Foundation.

The School paid rent of £1,000 (2020: £1,000) to St Paul's Schools Foundation during the year.

Donations received from Governors without conditions during the year ended 31 August 2021 totalled £9,849 (2020: £4,875).

Veryan Exelby is a Governor of the School. She is a partner at Farrer & Co who provide legal services to the School. For the year ended 31 August 2021, total legal fees incurred for services provided by Farrer & Co were £4,852 (1 July – 31 August 2020: £4,010). As at 31 August 2021, the amount due to Farrer & Co was £Nil (2020: £Nil).

During the year ended 31 August 2020, a donation of £750 (2021: £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 2021 or 2020.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

23. CONTINGENT ASSETS

The School is due to receive the balance of an estate in respect of a legacy 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	32,567	-	-	32,567
Ancillary trading income	1,567	-	-	1,567
Other trading activities				
Non-ancillary trading income	181	-	-	181
Investments				
Investment income	-	88	-	88
Bank and other interest	478	-	-	478
Voluntary sources				
Donations and legacies	449	5,203	-	5,652
Total income	35,242	5,291	-	40,533
Expenditure on:				
Raising funds				
Non-ancillary trading	5	-	-	5
Financing costs	1,501	-	-	1,501
Investment management	40	-	-	40
Fundraising and development	912	-	-	912
	2,458	-	-	2,458
Charitable activities				
Education and grant making	32,639	1,533	-	34,172
Total expenditure	35,097	1,533	-	36,630
Net income from operations before investment gains and transfers	145	3,758	-	3,903
Net gains on investments	-	38	40	78
Transfers between funds	3,046	(3,046)	-	-
Net income	3,191	750	40	3,981
Other recognised losses				
Pension scheme actuarial losses	(1,839)	-	-	(1,839)
Net movement in funds	1,352	750	40	2,142
Fund balances at 1 September 2019	104,754	5,848	2,711	113,313
Fund balances at 31 August 2020	106,106	6,598	2,751	115,455