

ST PAUL'S CATHEDRAL CHOIR SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

Charity no. 312718

ST PAUL'S CATHEDRAL CHOIR SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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ST PAUL'S CATHEDRAL CHOIR SCHOOL
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES

Chapter of St Paul's Cathedral:
The Dean, the Very Rev'd Dr David Ison
The Rev'd Canon James Milne
The Rev'd Canon Jonathan Brewster (resigned 13/10/21)
The Venerable Sheila Watson
Ms Pim Baxter
Ms Sheila Nicoll
Mr Clement Hutton-Mills (appointed 15 March 2021)
Canon Dr Paula Gooder (In attendance)

GOVERNORS

The Dean, the Very Rev'd Dr David Ison (Chair of Governors)
The Rev'd Canon James Milne #
Mr Gavin Ralston *V
Mrs Jill Aisher X
Col Edward Yorke*\$
Mr Ian Wilson *
Mrs Jane Sladdin #
Mrs Hatty Morley \$
Mr Mark Coote W
Ms Pim Baxter \$
Mr Robert-Jan Temmink
Mr Andrew de Silva (appointed 30/11/21)#

*Member of the Finance and Resources Committee
V Chair of Finance and Resources Committee
Member of the Education Curriculum and Standards Committee
X Chair of Education Curriculum and Standards Committee
\$Member of Marketing and Communications Committee
W Chair of Marketing and Communications

HEADMASTER

S Larter Evans BA (Hons), PGCE, FRSA

BURSAR

Mr Martin Kiddle

CATHEDRAL REGISTRAR

Ms Emma Davies

CATHEDRAL DIRECTOR OF MUSIC

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

REGISTERED OFFICE

2 New Change
London
EC4M 9AD

CHARITY REGISTRATION NUMBER

312718

ST PAUL'S CATHEDRAL CHOIR SCHOOL
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

BANKERS

Lloyds TSB Bank plc
70 – 71 Cheapside
London
EC2V 6EN

SOLICITORS

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

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

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

INSURERS

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST PAUL'S CATHEDRAL CHOIR SCHOOL FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2021, prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Statement of Recommended Practice and the Charities Act 2011.

STATUS AND ADMINISTRATION

The Corporation of the Cathedral Church of St Paul in London (St Paul's Cathedral), operates St Paul's Cathedral School under Statute XVI of the Instrument established for St Paul's Cathedral dated 13 May 2000 and updated thereafter. The statute sets down the objectives for the school and the powers and procedures by which Chapter will ensure the proper management of the School. The role of the Cathedral is as the seat of the Bishop of London and a centre for worship and mission. On 1 September 2005 an Instrument of Delegation delegated responsibility for the governance of the School to a Governing Body (the current members of which are listed on Page 2 of this document).

The School, which is unincorporated and has charitable status, has its affairs overseen by a Trustee body. The Trustees of the school are the Chapter of St Paul's Cathedral. The Chapter also has representation on the Governing Body, which consists of up to 12 members. The Body has a Finance and Resources Sub-Committee, an Education Curriculum and Standards Committee and a Marketing and Communications was set up in 2021 to help support the expansion of school numbers and counter competition among city schools. Other working parties are set up as the need arises. The Governors delegate day to day management responsibilities to the Headmaster and his Senior Management Team which includes the Bursar, Deputy Head Academic, Deputy Head Pastoral, Deputy DSL and Head of Pre Prep.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

The Governing Body, when complete, consists of The Dean and 4 members of Chapter, and 7 lay governors. The initial lay governors were appointed by the Chapter, in consultation with the Headmaster, but lay governors are now elected at full Governors' meetings. Lay governors are appointed according to the specialist skills they can offer. The Cathedral and School have begun work to review the constitution of the Governing body within the Instrument of Delegation, and aim to separate the role of the Dean from that of Chair of Governors and to reconsider the terms and effect of the Instrument of Delegation.

Trustee and Governor Training

New trustees and governors are inducted into the working of the School by the Headmaster and Bursar, and are regularly updated through briefings at the School and external trustee and governor training courses

The Governors meet at least three times a year to determine the general policy of the School and to review its overall management and control. The work of overseeing the implementation of most of the Governing Body's policies is carried out by the Finance and Resources Sub-Committee, which meets before each meeting of the full Governing Body and at other times as required. The Governors' Education Curriculum and Standards Committee continued to monitor the progress of the departmental and staff peer reviews carried out. The Marketing and Communications committee will look at the promotion of the school as well as communication with current parents and supporters.

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

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

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT (continued)

CHARITABLE OBJECTS

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

Aims and Principles

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

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

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

Principal Activity

St Paul's Cathedral School's principal activity continues to be the provision of education in a boarding environment for the St Paul's Cathedral choristers, of which there can be up to 36. In order to deliver a financially viable curriculum and to create a more balanced school environment for the choristers, it educates approximately 260 day children from the ages of 4 to 13.

Objectives for the Year

The Governors' main objective continues to be to educate all the School's pupils to at least the same high standard achieved in previous years, so that they will be able fully to benefit from their chosen senior school for the completion of their education in due course. Our strategy for achieving this is to maintain a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs. The School's building development of a new boarding block has allowed improvements to staff accommodation and the creation of new classroom space. The school had two form entry at Reception as from September 2021. After three years there will be an increase of pupil numbers of at least 45.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

public benefit below. The extent of this work was limited in 2021 because of the restrictions placed on all school activities by the impact of the Covid pandemic.

During the year there were on average 25 boy choristers aged between 7 and 13, 158 day pupils of the same ages, and 63 pre-prep children aged between 4 and 7 on the school's roll. The whole school is mixed, although there are fewer girls than boys in the main school. At the end of 2021 there were 102 girls in the school (2020: 99). In September 22 there will be a second Reception form making 5 classes in Reception with the full complement of 6 being achieved in September 2023.

The school continued to be responsive to COVID measures, with such things as parent briefings and meetings held online. Communications remained frequent and fluid, providing high levels of reassurance to parents and other stakeholders. Sports fixtures and music performances were the main activities that returned in good spirits, and we continued to plan optimistically and flexibly.

During the January to February 2021 lockdown, pupils took part in an improvisation competition (104 videos were submitted remotely by pupils) and 12 of our leaving Year 8s secured music awards to their senior schools (that's over half of all Y8 leavers). On coming out of lockdown in March, 13 early-morning ensembles took place every week in strict year-group bubbles. Whilst no exams were taken in Spring term, 101 were taken in July, of which 64% were at merit or distinction level.

Between March and July, 4 year-group concerts, the House Music Competition and a leaving concert for Mrs McLean were recorded and shared with parents. Two of our ensembles represented the school at *Live! in the Churchyard* (St Mary le Bow) and we recorded a Summer Concert of over 40 videos, comprising not just the school choir and ensemble performances, but every class in school, meaning each child was able to perform (and some multiple times).

By the Autumn, we managed to return to a degree of normality: the House Piano Competition and some class concerts were allowed live audiences. By December, however, as the new variant began to strike, only 18 music exams were taken (39%

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT (continued)

at merit or distinction) and there were some cancellations to concerts and services. The Chamber Choir and Bread St choirs did, however, manage to lead carol services for Chartered Accountants, Britain-Australia Society and the Bread St Ward. The School Carol Service ensured every child in school had the opportunity to perform (either as part of a choir or their year group) in the Cathedral.

Some trips, both at home were possible during the Autumn Term they included, art workshops at St Paul's Cathedral, visits to the Jewish Museum, Army Museum, Florence Nightingale Museum. Other trips included a weekend national football tournament, Geography river trip and overnight camping for years 3 and 4.

All of the leavers of 2020-21 went on to good senior schools. 26 scholarships were offered to leavers: 8 academic, 14 music, 1 sport, 2 art and 1 Headmaster's scholarships with often substantial bursaries offered. This achievement has been helped greatly by the high-quality teaching staff we have been able to retain and recruit in the face of intense competition from other London schools and who continue to maintain high standards in an increasingly competitive market for senior school places in London and elsewhere.

The final sectional completion for the building project was the 5th March 2021. The final project cost was £8.2 M with the commitment by the School to this cost being in excess of £4.0m. A significant individual donation of £1m over 3 years will be used to reduce the level of external bank loan funding and mitigate the impact on reserves. Future budgets and forecasts have been updated to reflect the possible impacts on income and pupil numbers as a result of the COVID pandemic: increased marketing and other mitigation measures are in place, and the Governors will keep the situation under regular review.

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

Risk Management, and principal risks and uncertainties

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

Day to day health and safety is monitored by the school Health and Safety Committee who are supported by PIB Risk Management Advisors. This committee reports directly to the F&R Committee including an annual review of all accidents involving pupils. As part of their annual review PIB will look at all of the required inspection reports which include PAT testing, fire and smoke alarm test, gas safety checks and kitchen equipment servicing.

Public Benefit

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

During 2021, six day-pupils received support for part or all of their fees from the Bursary Fund and 15 choristers received support from the Chorister Trust (see notes 11 and 14 to the financial statements) for their Boarding Fees. Governors decided to limit the fee increase to 3% effective September 21 to reflect the impact of Covid.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT (continued)

Public Benefit (continued)

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

The Cathedral Choir supports musical education and partnership work benefitting state schools across the Diocese of London. In the past year, this has included its 'Sing with St Paul's' programme, which has helped schools return to 'normal' singing. We ran a choral summer school for 50 children, culminating in Evensong at the Cathedral. The Hackney Children's and Senior Choirs gained new membership, a new choral academy was founded in two primary schools, and digital singing assemblies featuring the choristers, shared with schools across the UK helped schools return to Collective Worship.

Members of the music staff seek to share the experience of singing at St Paul's with children in more than 30 schools per year, successfully reaching and recruiting choristers from diverse backgrounds. In addition, the partnership work actively support the CPD of music teachers in partner schools as well as musical colleagues in other Cathedrals.

During 2020, many fundraising activities were limited in scope however the school still raised money for Jeans for Genes, Children in need, Christmas Jumper Day – Save the Children, Christmas Service – Great Ormond Street Hospital, RBL Poppy Appeal, World Book Day, and the children have now met the guide dog puppy sponsored by the school.

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

With the new building work now complete, the School aims to set up twilight teacher training programmes in ICT and Music for non-specialist teachers from the maintained sector.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school generated net income during the year of £665,732 (2020: £1,598,328) representing 14.7% (2020: 30.52%) of total revenues. However this included £84,712 of restricted income (2020: £808,721) of which £81,652 (2020: £805,903) was donations for the School Building project. Pupil numbers averaged 246 in 2021 (2020: 254), ensuring the school made an unrestricted operating surplus of £420,387 (2020: £718,058) being 9.3% (2020: 16.2%) of total unrestricted revenues. The surplus was achieved after charging depreciation for the year of £211,815 (2020: £60,655). Capital expenditure for 2021 was split between £978,681 for the school development project, £33,153 for ICT, general building works £66,381 and for fixtures and fittings £67,790.

In the year £78,051 (2020: £70,581) has been set aside as Designated Funds. These have been designated by the Governors for the purpose of awarding bursaries to day pupils. The sum is made up of income from the School Capital Fund (£30,007) and 6% of the previous year's Unrestricted Fund surplus (£48,051), resulting in a further transfer (£27,780) being required from the current year surplus to clear the deficit in the Bursary Fund.

In accordance with the conditions of the Instrument of Delegation and Financial Memorandum adopted by the school, the school's initial unrestricted reserves were fixed at £400,000 at 31 December 2005 and a reserves policy was introduced based on unrestricted reserves being a minimum of 20% of annual fees. The School has continued to secure an annual operating surplus since 2005, taking unrestricted reserves to £6,963,334 (2020: £6,461,195). Over the last five years the Trustees have continued to increase unrestricted reserves to enable the school to finance a significant portion of the planned school development project. This has enabled the School to contribute over £4m to the financing of the project.

The other part of the funding for the Building Project came from a loan from St Paul's Cathedral of £2.5 million taken out in the name of the Cathedral from Lloyds Banking Group and repayable by 2033. The School has agreed to make back to back payments to the Cathedral to cover payments of interest and repayments of capital to Lloyds bank.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT (continued)

Under the same Instrument of Delegation the Cathedral transferred to the school the "School Capital Fund" and the School Scholarships, Prizes and Bursaries Fund (known as the Prizes Fund) on 31 December 2005 amounting to £615,000. At the end of 2020 these endowment funds stood at £1,299,053 (2020: £1,136,476) and the accumulated restricted income arising from the latter endowment stood at £38,084 (2020: £37,068) held as a cash balance

Reserves and Reserves Policy

Reserves consist of Unrestricted funds, Restricted funds (cash balance of prizes fund) and Endowment funds. The Trustees will seek to maintain a minimum level of unrestricted reserves equivalent to 25% of one year's running costs, defined as expenditure on charitable activities. At 31 December 2021, unrestricted reserves are £6,963,334 or 172.8% of the 2021 school expenditure on charitable activities (£4,028,101) (2019: 174% of running costs of £3,709,180). Governors have agreed that some of these reserves can be used to finance the forthcoming School building project. As at the end of 2020 £4,000,00 has been committed.

Senior management remuneration policy

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

FUNDRAISING POLICY

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

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

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

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

FUTURE PLANS

In December 2016 the School was granted planning permission to build a new Boarding House, expand the dining area and create extra classrooms by rehousing the resident staff in the existing Boarding House. This work commenced in July 2019 and the final sectional completion was 5th March 2021.

This has enabled the school to expand its pre prep department and to provide some additional specialist classrooms and secure boarding accommodation of the required standard for many years to come. The first new Reception class started in September 2021 and Pre Prep will be up to 6 forms in September 2023. The extra classrooms has enabled the school to have Covid isolation rooms and testing rooms which will eventually be used as general classrooms. The schools key objectives continue to be the educating of pupils to the same high standards, or higher, as in previous years.

The Trustees remain confident that St Paul's Cathedral School will be a going concern for the next 12 months and beyond. There are long waiting lists for the next four years for both the 4+ and 7+ entry points, and the school has introduced an 11+ scholarship programme which is attracting a small number of applicants hitherto not served by the school. Once the Pre-Prep has grown to two form entry, the 7+ entry point will offer fewer places, however, it is anticipated that this will remain an important and attractive entry point for some pupils. Budgets and forecasts have been updated to reflect the impact of the COVID 19 virus and competition from other city schools. However, the Governors do recognise greater uncertainty as to pupil numbers than for some time, reflecting the change in working practices in central London as a result of the pandemic.

Having completed the physical development of the estate, the Senior Leadership and the Governing body are working together to define a new 5 year strategic plan. Part of that plan is to establish the School as a Foundation, with its own legal identity, while remaining an integral and vital part of the Cathedral's mission. Note 17 Post Balance Sheet Events gives more detail of the progress with this exercise.

Investment Powers and Trustees' Authority

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' REPORT (continued)

The school is wholly owned by the Cathedral Church of St Paul in London. It is therefore subject to the Cathedrals' Measure 2021 in addition to charity law. Trustees may invest funds in any of the following:

Investment Powers and Trustees' Authority (continued)

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

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

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board of Trustees on 22 June 2022 and signed on its behalf by:



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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of St Paul's Cathedral Choir School for the year ended 31 December 2021, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Matters on which we are required to report by exception

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

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Responsibilities of Trustee for the financial statements

As explained more fully in the Trustee's responsibilities statement set out on page 10, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities and independent schools, 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 Charities Act 2011 and other factors such as taxation.

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 manual accounting journals. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustee as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor

Haysmacintyre LLP
25 July 2022

10 Queen Street Place
London EC4R 1AG

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | Unrestricted £ | Restricted £ | Endowment £ | Total 2021 £ | Total 2020 £ |
|--|-------|--------------------|-----------------|------------------|--------------------|--------------------|
| Income from: | | | | | | |
| Donations | | 33,408 | 81,752 | - | 115,160 | 833,504 |
| Investments | 3 | 30,165 | 2,960 | - | 33,125 | 35,833 |
| <i>Charitable activities:</i> | | | | | | |
| School fees | 2a | 4,053,148 | - | - | 4,053,148 | 4,060,303 |
| Other ancillary income | 2b | 317,449 | - | - | 317,449 | 291,556 |
| Other trading | 2c | 14,318 | - | - | 14,318 | 14,733 |
| Total income | | <u>4,448,488</u> | <u>84,712</u> | <u>-</u> | <u>4,533,200</u> | <u>5,235,929</u> |
| Expenditure on: | | | | | | |
| Charitable activities | 5 | <u>(4,028,101)</u> | <u>(1,944)</u> | <u>-</u> | <u>(4,030,045)</u> | <u>(3,710,725)</u> |
| Total Expenditure | | <u>(4,028,101)</u> | <u>(1,944)</u> | <u>-</u> | <u>(4,030,445)</u> | <u>(3,710,725)</u> |
| Net income excluding investments gains | | 420,387 | 82,768 | - | 503,155 | 1,525,204 |
| Net gains on investments | 6 | - | - | 162,577 | 162,577 | 73,124 |
| Net income | | <u>420,387</u> | <u>82,768</u> | <u>162,577</u> | <u>665,732</u> | <u>1,598,328</u> |
| Transfers between funds | 10 | <u>81,752</u> | <u>(81,752)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | <u>502,139</u> | <u>1,016</u> | <u>162,577</u> | <u>665,732</u> | <u>1,598,328</u> |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 10-12 | <u>6,461,195</u> | <u>37,068</u> | <u>1,136,477</u> | <u>7,634,740</u> | <u>6,036,412</u> |
| Total funds carried forward | | <u>6,963,334</u> | <u>38,084</u> | <u>1,299,054</u> | <u>8,300,472</u> | <u>7,634,740</u> |

All amounts derive from continuing activities.

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

Notes 1 to 14 form part of these financial statements.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

BALANCE SHEET

AS AT 31 DECEMBER 2021

| | | Total 2021 £ | Total 2020 £ |
|--|-------------|-----------------------------|-----------------------------|
| FIXED ASSETS | Note | | |
| Investments | 6 | 1,299,053 | 1,136,476 |
| Tangible assets | 7 | 8,799,092 | 7,864,900 |
| TOTAL FIXED ASSETS | | 10,098,145 | 9,001,376 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 122,730 | 89,510 |
| Cash at bank and in hand | | 1,348,153 | 1,191,409 |
| TOTAL CURRENT ASSETS | | 1,470,883 | 1,280,919 |
| Creditors: amounts falling due one year | 9 | (972,466) | (708,383) |
| NET CURRENT ASSETS | | 498,417 | 572,536 |
| Creditors falling due after One year | | (2,296,090) | (1,939,172) |
| TOAL NET ASSETS | | 8,300,472 | 7,634,740 |
| FUNDS | | | |
| Unrestricted funds | 11 | 6,963,334 | 6,461,195 |
| Restricted funds | 10 | 38,084 | 37,068 |
| Endowment funds | 10 | 1,299,054 | 1,136,477 |
| TOTAL FUNDS | | 8,300,472 | 7,634,740 |

Notes 1 to 14 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 22 June 2022

Signed on behalf of the Board of Trustees:



The Very Rev'd Dr David Ison
Trustee

ST PAUL'S CATHEDRAL CHOIR SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Accounting Basis

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment assets to market value and in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Charities Act 2011.

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

The Charity is a Public Benefit Entity as defined by FRS 102.

The trustees consider that there are no material uncertainties affecting the Charity's ability to continue as a going concern for at least twelve months from the date of approval of the accounts.

Fees and Similar Income

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

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

Expenditure

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

Teaching Materials

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

Capitalisation of Fixed Assets

Assets above the cost of £250 with a useful life exceeding one year are capitalised on the balance sheet and depreciation is provided as set out in the following paragraph.

Depreciation

Depreciation of tangible assets is provided at rates calculated to write off the excess of cost over the estimated residual amount evenly over the estimated useful economic lives of each class of asset on a straight line basis, subject to annual review. Only assets costing over £250 are capitalised.

The useful economic lives are currently as follows:

| | |
|---------------------------------------|---------------|
| Buildings improvements and extensions | 10 - 20 years |
| Furniture and equipment | 3 - 10 years |
| New Building works | 25-50 years |

Pension Schemes

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

Pension Schemes (continued)

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

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

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

Taxation

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

Cashflow Statement

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

Investments

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

Cash at Bank and in Hand

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

Funds

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

Restricted Funds

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

Unrestricted Funds

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

Designated Funds

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

Critical accounting judgments and sources of estimation uncertainty

In the application of the School's accounting policies, which are described in this note, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

| 2a. FEE INCOME | 2021 Total £ | 2020 Total £ |
|--|-----------------------------|-----------------------------|
| Gross School fees | 4,147,636 | 4,274,489 |
| Less: discounts | (16,437) | (143,605) |
| Less: total bursaries and prizes | (78,051) | (70,581) |
| Net fees receivable | 4,053,148 | 4,060,303 |
| Add: bursaries and prizes funded by restricted funds | - | - |
| Total | 4,053,148 | 4,060,303 |
| 2b. OTHER ANCILLARY CHARITABLE INCOME | | |
| Extras | 250,078 | 258,238 |
| Registration fees | 20,500 | 18,501 |
| School trips | 16,716 | 7,532 |
| Other | 30,155 | 7,285 |
| Total | 317,449 | 291,556 |
| 2c. OTHER TRADING | | |
| Music and uniform sales | 12,746 | 7,383 |
| Other | 1,572 | 7,350 |
| Total | 14,318 | 14,733 |
| 3. INVESTMENT INCOME | | |
| Investment Income from Capital Fund | 30,007 | 28,977 |
| Investment Income from Scholarship and Prizes Fund | 2,960 | 2,859 |
| Interest on Cash Deposits | 158 | 3,997 |
| Total | 33,125 | 35,833 |
| 4. EXPENDITURE | | |
| Charitable expenditure includes: | | |
| Depreciation | 211,815 | 60,654 |
| Auditors' Remuneration | 9,600 | 9,600 |
| Total Staff Costs comprised: | | |
| Wages and Salaries | 2,191,711 | 2,216,997 |
| Social Security Costs | 214,014 | 213,911 |
| Other Pension Costs | 342,813 | 326,806 |
| Total | 2,748,538 | 2,757,714 |

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. EXPENDITURE (continued)

| | 2021 No. | 2020 No. |
|---|---------------------|---------------------|
| The average number of employees in the year: | | |
| Teaching | 33 | 33 |
| Music | 20 | 19 |
| Teaching assistant | 13 | 12 |
| Domestic | 8 | 8 |
| Administration | 5 | 5 |
| Total | 79 | 77 |

The number of higher paid employees

| | 2021 | 2020 |
|--------------------|-------------|-------------|
| £50,000 - £60,000 | 2 | - |
| £60,001 - £70,000 | 1 | 2 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | 1 | 1 |

Aggregate employee benefits of the Senior Management Team (Key Management Personnel) are: £481,417 2021 £473,425 2020

The Governors received no remuneration, reimbursed expenses or other benefits for the current or previous years.

5. ANALYSIS OF TOTAL EXPENDITURE

| 2021 | Staff Costs £ | Other £ | Depreciation £ | Total £ |
|-------------------|------------------------------|--------------------|---------------------------|--------------------|
| Education: | | | | |
| Teaching | 2,327,294 | 183,351 | 42,872 | 2,553,517 |
| Welfare | 55,111 | 318,859 | - | 373,970 |
| Premises | 131,641 | 266,176 | 168,943 | 566,760 |
| Support costs | 260,387 | 122,013 | - | 382,400 |
| Governance costs | - | 153,398 | - | 153,398 |
| Total | 2,774,433 | 1,043,797 | 211,815 | 4,030,045 |
| 2020 | Staff Costs £ | Other £ | Depreciation £ | Total £ |
| Education: | | | | |
| Teaching | 2,261,945 | 131,951 | 30,973 | 2,424,869 |
| Welfare | 93,671 | 261,134 | - | 354,805 |
| Premises | 156,673 | 303,603 | 29,682 | 489,958 |
| Support costs | 255,876 | 136,839 | - | 392,715 |
| Governance costs | - | 48,378 | - | 48,378 |
| Total | 2,768,165 | 881,905 | 60,655 | 3,710,725 |

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. ANALYSIS OF EXPENDITURE (continued)

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

6. INVESTMENTS

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

| 2021 | Capital Fund | Scholarship & prizes fund | Total £ |
|---|---------------------|--------------------------------------|------------------|
| Market value at 1 January 2021 | 1,034,420 | 102,056 | 1,136,476 |
| Revaluation in the year | 147,978 | 14,599 | 162,577 |
| Market Value at 31 December 2021 | <u>1,182,398</u> | <u>116,655</u> | <u>1,299,053</u> |
| Split of investments | | | |
| Investment assets in the UK 31 December 2021 | | | 453,759 |
| Investment assets outside the UK 31 December 2021 | | | 845,294 |
| Total | | | <u>1,299,053</u> |
| Historical cost of investments | | | <u>601,940</u> |
| 2020 | Capital Fund | Scholarship & prizes fund | Total £ |
| Market value at 1 January 2020 | 967,863 | 95,490 | 1,063,353 |
| Revaluation in the year | 66,557 | 6,566 | 73,123 |
| Market Value at 31 December 2020 | <u>1,034,420</u> | <u>102,056</u> | <u>1,136,476</u> |
| Split of investments | | | |
| Investment assets in the UK 31 December 2020 | | | 364,809 |
| Investment assets outside the UK 31 December 2020 | | | 771,667 |
| Total | | | <u>1,136,476</u> |
| Historical cost of investments | | | <u>601,940</u> |

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

7. TANGIBLE FIXED ASSETS

| | Building improvements £ | Fixtures, fittings and equipment £ | 2021 Totals £ |
|--------------------------|--|---|------------------------------|
| Cost or Valuation | | | |
| At 1 January 2021 | 9,039,736 | 655,570 | 9,695,306 |
| Additions | 1,045,062 | 100,944 | 1,146,006 |
| As 31 December 2021 | <u>10,084,798</u> | <u>756,514</u> | <u>10,841,312</u> |
| Depreciation | | | |
| At 1 January 2021 | 1,259,894 | 570,512 | 1,830,406 |
| Charge for the year | <u>168,942</u> | <u>42,872</u> | <u>211,814</u> |
| At 31 December 2021 | <u>1,428,836</u> | <u>613,384</u> | <u>2,042,220</u> |
| Net Book Value | | | |
| At 31 December 2021 | <u>8,655,962</u> | <u>143,130</u> | <u>8,799,092</u> |
| At 31 December 2020 | <u>7,779,842</u> | <u>85,058</u> | <u>7,864,900</u> |

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

8. DEBTORS

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Amounts falling due within one year | | |
| School fees | 20,116 | (4,895) |
| Accrued Income | 85,862 | 84,246 |
| Other Debtors | 16,752 | 10,159 |
| | <u>122,730</u> | <u>89,510</u> |

9. CREDITORS

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Amounts falling due within one year | | |
| Returnable deposits | 137,800 | 130,300 |
| Fees in advance | 165,000 | - |
| Sundry Creditors | 37,805 | 21,254 |
| Accruals and Deferred Income | 474,211 | 454,155 |
| Due to St Paul's Cathedral | 157,650 | 102,674 |
| | <u>972,466</u> | <u>708,383</u> |
| Amounts falling due after one year | | |
| Amounts owing to St Paul's Cathedral | 2,296,090 | 1,939,172 |
| Due 2-5 years £735,027 over 5 years £1,561,063 | <u></u> | <u></u> |

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

9. CREDITORS (continued)

In September 2020, St Paul's Cathedral entered into a £2.5m loan facility with Lloyds bank and subsequently loaned the School an equivalent loan on the same repayment terms to fund the completion of the building project. Amounts were drawn from St Paul's Cathedral in late September 2020, the full £2.5m was drawn down from the Cathedral by end of March 2021. Capital repayments started in November 2021 and the balance will be repaid to the Cathedral over twelve years at an interest rate of 3.23% above the Bank of England base rate.

10. ENDOWMENT AND RESTRICTED FUNDS

Endowment and restricted funds consist of the Capital fund and Scholarship and Prize fund. All funds are held as either cash or investments under the management of CCLA Investment Management Ltd and consist mainly of quoted equities.

| Endowment funds - 2021 | Capital Fund | Scholarship & prizes fund | Total £ |
|-------------------------|------------------|---------------------------|------------------|
| Fund at 1 January | 1,034,420 | 102,056 | 1,136,476 |
| Revaluation in the year | 147,978 | 14,599 | 162,577 |
| Fund at 31 December | <u>1,182,398</u> | <u>116,655</u> | <u>1,299,053</u> |

| Endowment funds - 2020 | Capital Fund | Scholarship & prizes fund | Total £ |
|-------------------------|------------------|---------------------------|------------------|
| Fund at 1 January | 967,863 | 95,490 | 1,063,353 |
| Revaluation in the year | 66,557 | 6,566 | 73,124 |
| Fund at 31 December | <u>1,034,420</u> | <u>102,056</u> | <u>1,136,476</u> |

| Restricted fund (held as cash) -2021 | Total £ |
|--------------------------------------|---------------|
| Fund at 1 January | 37,068 |
| Net income for the year | 1,016 |
| Fund at 31 December | <u>38,084</u> |

| Restricted fund (held as cash) -2020 | Total £ |
|--------------------------------------|---------------|
| Fund at 1 January | 35,825 |
| Net income for the year | 1,243 |
| Fund at 31 December | <u>37,068</u> |

The balance on restricted reserves relates to the School Scholarship and Prizes Fund.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

School Capital Fund

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

School Scholarship and Prizes Fund

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

Transfers

The transfer of £81,752 (2020 £805,903) out of restricted funds into unrestricted funds relates to the restrictions in relation to donations towards the building project being satisfied.

11. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR 2021

| | General | Designated Income from Capital Fund | Designated School Bursary | Total |
|-----------------------------------|-----------|--|---------------------------------|-----------|
| | £ | £ | £ | £ |
| At 1 January | 6,461,195 | - | - | 6,461,195 |
| Surplus / (deficit) for the year | 468,431 | 30,007 | (78,051) | 420,387 |
| Designation in the year (note 12) | (25,223) | (30,007) | 55,230 | - |
| Further Transfer required | (22,821) | - | 22,821 | - |
| Transfer from restricted funds | 81,752 | - | - | 81,752 |
| At 31 December | 6,963,334 | - | - | 6,963,334 |

UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR 2020

| | General | Designated Income from Capital Fund | Designated School Bursary | Total |
|-----------------------------------|-----------|--|---------------------------------|-----------|
| | £ | £ | £ | £ |
| At 1 January | 4,937,234 | - | - | 4,937,234 |
| Surplus / (deficit) for the year | 759,662 | 28,977 | (70,581) | 718,058 |
| Designation in the year (note 12) | (43,083) | (28,977) | 72,060 | - |
| Transfer from restricted funds | 805,903 | - | - | 805,903 |
| At 31 December | 6,459,716 | - | 1,479 | 6,461,195 |

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

12. DESIGNATED FUNDS

Income from School Capital Fund

In 2009, Governors, with the agreement of the Trustees, voted to transfer some or all of the income from the Capital Fund each year to the Bursary Fund in order to build this up for future use, this arrangement has continued and remains unchanged. Hence in 2020 all of the income was transferred to the bursary funds as shown in note 11.

School Bursary Fund

Since 2010 the Bursary Fund has been a Designated Fund. The Fund assists day children parents who find themselves in financial difficulty during their child's stay in the School and it is hoped to extend this assistance to new families in the future. 6% of each year's Unrestricted Fund surplus is put aside for this purpose. In 2021 the sum was £25,223 (6% of the 2021 unrestricted surplus of £420,387) plus the income from the Capital Fund (£30,007) which is transferred to the Bursary Fund mentioned in Note 10 above making £55,23 balance transfer of £22,821 from General funds was required.

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

13. ULTIMATE PARENT

The Charity's controlling entity is the Corporation of the Cathedral Church of St Paul in London commonly known as St Paul's Cathedral. The results of the School are consolidated into the consolidated financial statements of St Paul's Cathedral. Copies of the Cathedral's financial statements may be obtained from The Chapter House, St Paul's Churchyard, London EC4M 8AD.

14. STAFF PENSIONS

Teachers

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £278,964 (2020: £273,465) 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.

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Teachers (continued)

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 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a 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 consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Other Staff

Defined Contribution Scheme: 43 non-teaching staff participate in the defined contribution scheme run by Aviva and provided by St Paul's Cathedral for its staff.. The assets of the scheme are held in independently administered funds. The pension charge for 2021 includes contributions payable to the scheme of £63,849 (2020: £53,341)

Final Salary Pension Scheme: four non-teaching staff participated in the St Paul's Cathedral Final Salary Pension Scheme which closed to service accrual on 15th May 2007. According to the terms of the Instrument of Delegation, all administration costs of the Cathedral Pension Schemes will be borne by St Paul's Cathedral. As such no costs or liabilities are included in the accounts of St Paul's Cathedral School.

The Cathedral is responsible for a defined benefit pension scheme and the assets of the Scheme are held in a separate trustee administered fund. Although closed to service accrual, the retirement benefits for members of this scheme are based on employees' final remuneration and the length of service to May 2007.

The pension cost is assessed in accordance with the advice of an independent actuary using the projected unit method on the basis of an annual valuation update and charged to the Statement of Financial Activities as described below.

There was a scheme funding valuation of the Scheme as at 30th September 2019. The funding plan is for the Scheme to hold assets equal to the value of the benefits using the methodology as set out in the Scheme's Statement of Funding Principles. This valuation showed a scheme surplus of £0.9m.

The Trustees and Chapter therefore agreed that no further deficit contributions were required to meet the Statutory Funding Objective. In practice, this funding plan will be reviewed following the completion of subsequent scheme funding valuations, the next of which is due as at 30 September 2022.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

15. RELATED PARTY TRANSACTIONS

Tuition fees of £430,202 (2020: £471,000) and music fees of £53,642 (2020: £60,000) were paid by St Paul's Cathedral to the school for the education of the Choristers. The Cathedral paid a grant totalling £500,000 in 2019 but nothing further in 2020 to finance the Learning in Harmony Building project. The school paid rental income to the Cathedral of £125,195 (2020: £125,000). The balance due to the Cathedral is detailed in Note 9

During the year the St Paul's Cathedral Chorister Trust contributed £83,303 (2020: £89,478) towards the Boarding fees of 12 (2020: 17) choristers. The Precentor is a Trustee of the School and the Chorister Trust.

The Governors made aggregate donations to the school of £350(2020£550)

16. CAPITAL COMMITMENTS

The school building contract with Borrás Construction Ltd was completed in 2021. There are retentions still outstanding of £99,352 plus vat equalling £119,224.

There were no other capital commitments at 31 December 2021.

17. POST BALANCE SHEET EVENTS

The Governors of the St Paul's Cathedral School and Chapter of the Cathedral have started discussions with the objective of restructuring the governance arrangements at the School. As part of this exercise the trade and assets will move from the School in its current structure as an unincorporated charity to a new incorporated charity. Discussions are ongoing and the new changes are expected to take place within the next year. The School's results will continue to be consolidated in the Cathedral's financial statements.