

ST PAUL'S CATHEDRAL CHOIR SCHOOL
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

Charity no. 312718

ST PAUL'S CATHEDRAL CHOIR SCHOOL
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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ST PAUL'S CATHEDRAL CHOIR SCHOOL
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018

TRUSTEES

Chapter of St Paul's Cathedral:
The Dean, the Very Rev'd Dr David Ison
The Rev'd Canon Michael Hampel (resigned 31/10/18)
The Rev'd Canon Mark Oakley (resigned 31/08/18)
The Rev'd Canon Tricia Hillas
The Rev'd Canon Jonathon Brewster
The Venerable Sheila Watson
Mr Gavin Ralston
Ms Pim Baxter
Ms Sheila Nicoll (installed 18/11/2018)

GOVERNORS

The Dean, the Very Rev'd Dr David Ison (Chair of Governors)
The Rev'd Canon Michael Hampel*(resigned 31/10/18)
The Rev'd Canon Tricia Hillas
Mr Gavin Ralston *V
Mr Peter Chapman *V(resigned 6/06/2018)
Mrs Jill Aisher X
Col Edward Yorke*
Mr Ian Wilson *
Mrs Jane Sladdin #
Mrs Hatty Morley #
Mr Mark Coote *
Ms Pim Baxter

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

HEADMASTER

S Larter Evans BA (Hons), PGCE, FRSA

BURSAR

Mr Martin Kiddle

CATHEDRAL REGISTRAR

Ms Emma Davies

CATHEDRAL DIRECTOR OF MUSIC

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

REGISTERED OFFICE

2 New Change
London
EC4M 9AD

CHARITY REGISTRATION NUMBER

312718

ST PAUL'S CATHEDRAL CHOIR SCHOOL
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018

BANKERS

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

SOLICITORS

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

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

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

INSURERS

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2018, prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Statement of Recommended Practice and the Charities Act 2011.

STATUS AND ADMINISTRATION

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

The Governing Body, when complete, consists of The Dean and 4 members of Chapter, and 7 lay governors. The initial lay governors were appointed by the Chapter, in consultation with the Headmaster, but lay governors are now elected at full Governors' meetings. Lay governors are appointed according to the specialist skills they can offer. Mr Gavin Ralston took over as Chair of Finance and General purposes after the retirement of Mr Peter Chapman in June 2018 and Mr Ian Wilson will join the committee effective May 2019. In addition Mr Gavin Ralston has been elected a Governor effective February 2019 after his retirement from Chapter. The Cathedral and School has begun work to review the constitution of the Governing body within its Instrument of Delegation, and aims to separate the role of the Dean from the the role of Chair of Governors.

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. Subsequent to the resignation of Canon Michael Hampel, Canon Tricia Hillas has undertaken the necessary Safeguarding training to fulfil the role as Safeguarding Governor until a new Precentor is installed.

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

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

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

TRUSTEES REPORT (continued)

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

Risk Management, and principal risks and uncertainties

A detailed Risk Management assessment is prepared annually for Governors to include both internal and external factors that may impact on the operation. Their likelihood and potential impacts are assessed and any required action is formulated. The main risks under consideration includes trends with respect to pupil numbers. These are monitored and the number of current applications were compared to previous years. Currently there are three to four applicants per available space. With respect to Stock market volatility and its impact on investments the school receives and acts upon advice from the Cathedral Investment Advisory committee currently its investments are held with CCLA. The proximity of St Paul's Cathedral and other City Institutions means that the school is located in a very sensitive and high profile area with respect to possible terrorist activity. Staff receive regular briefings from City of London police specialists and attend the Cathedral Security Advisory group meetings to ensure they are up to date with the latest advice and amend any emergency procedures as appropriate. Robust plans are in place for dealing with emergencies that may arise either internally or externally to the school. Day to day health and safety is monitored by the school Health and Safety Committee who are supported by public risk management advisors (formerly D E Ford). This committee reports directly to the F&GP Committee including an annual review of all accidents involving pupils. As part of their annual review D E Ford will look at all of the required inspection reports which include PAT testing, Fire and smoke alarm test, Gas safety checks and Kitchen Equipment servicing. The School Building project is scheduled to commence 15/7/2019 and will cause disruption to normal school life for up to 18 months. There is not expected to be any impact on school numbers and waiting lists remain full. The project cost is expected to be £7.9 M with a further commitment by the school of a maximum of £2.26m.

CHARITABLE OBJECTS

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

Aims and Principles

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

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

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

Principal Activity

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

Objectives for the Year

The Governors' main objective continued 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 main focus in the School's development is the construction of a new boarding block, improvements to staff accommodation and the creation of new classroom space.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

TRUSTEES REPORT (continued)

Public Benefit

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

During 2018, 6 day pupils received support for part or all of their fees from the Bursary Fund and 17 choristers received support from the Chorister Trust (see notes 11&14 to the accounts). Two pupils received financial assistance in order to be able to participate in school trips, including trips abroad, which they otherwise would not have been able to do. The Trustees and governors over recent years have worked to ensure that any fee increase is kept to a modest level and for 2018 it was limited to 3.7 %.

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

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

During 2018, the school raised money for Children in Need, Sports Relief, Jeans for Genes, Breast Cancer Care, Great Ormond Street Hospital, Miracles UK, Save the Children and the Islington Managua Friendship organisation which supports a small primary school in Managua. The school's choirs performed to various organisations in the City of London at Christmas time including Livery Companies and supported the Canadian International Commerce Bank's fundraising day.

During the year the joint orchestral day involving 3 schools coincided with the Choir Schools Association Centenary celebrations, and was held at St John Smith's Square. The School also hosted the Centenary Conference, gathering the Heads of choir schools from across the UK. Year 5&6 Pupils were also members of borough teams taking part in the London Youth Games involving all 33 London Boroughs.

The School continues to develop its network of primary educators in the state maintained sector (primary) to share CPD. By example, collaborating with subject cluster groups, and in one instance providing advice on the design of a science lab. 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 come together to share information, best practice and, where possible, resources. To date, the School has active CPD relationships with three maintained primary schools. Our future ambitions include widening our sports participation, to include maintained primary schools within our fixtures and tournaments. The School is now in partnership with the Royal College of Music whereby undergraduate musicians experience music teaching in a school setting at SPCS.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

During the year there were on average 30 boy choristers aged between 7 and 13, 159 day pupils of the same ages, and 61 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 2018 there were 106 girls in the school (2017: 103).

Pupils in the school achieved excellent music exam results with over 120 exams taken, 73% of which were at merit or distinction level. Eight regular instrumental ensembles and 5 choirs meet each week, and more than a dozen public concerts were given in addition to multiple Christmas events. In Autumn we welcomed a new Director of Music, Mr Mark Kennedy, who joined us from Westminster Choir School.

Thirteen regular ensembles meet each week and more than 20 public concerts were given in addition to multiple Christmas events.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

TRUSTEES REPORT (continued)

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

All of the leavers of 2017-18 went on to well regarded senior schools; 4 academic, 7 music, 1 sport, 2 art scholarships or exhibitions, a Heads prize and substantial bursaries were offered. This achievement has been helped greatly by the high-quality teaching staff we have been able to retain and recruit in the face of intense competition from other London schools and who continue to maintain high standards in an increasingly competitive market for senior school places in London and elsewhere.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school generated net income during the year of £546,422 (2017: £394,556) representing 12.9% (2017 9.8%) of total revenues. Pupil numbers averaged in 250 in 2018 (over 249 in 2017), ensuring the school made an operating surplus in excess of £562,198 (2017 £319,258) being 13.3%(7.9%) of total revenues. The surplus was achieved after charging depreciation for the year of £61,551 (2017:£57,462). Capital expenditure for 2018 was split between the school development project £185,119 and ICT£60.450 which included purchasing new interactive screens for all classrooms.

In the year £78,113(2017: £126,867) 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(£27,442) and 6% of the previous year's Unrestricted Fund surplus (£21,069) plus a further £48,511 from the current year surplus was required to clear the deficit in the Bursary Fund.

In accordance with the conditions of the Instrument of Delegation and Financial Memorandum adopted by the school, the school's initial unrestricted reserves were fixed at £400,000 at 31 December 2005 and a reserves policy was introduced based on unrestricted reserves being a minimum of 20% of annual fees. The School has continued to secure an annual operating surplus since 2005, taking unrestricted reserves to £3,439,743 (2017: £2,891,563). Over the last 5 years the Trustees have continued to increase unrestricted reserves to enable the school to finance a significant portion of the planned school development project.

Under the same financial agreement the Cathedral transferred to the school the "School Capital Fund" and the School Scholarships, Prizes and Bursaries Fund (known as the Prizes Fund) on 31 December 2005 amounting to £615,000. At the end of 2018 these endowment funds stood at £893,657 (2017: £909,433) and the accumulated restricted income arising from the latter endowment stood at £34,876 (2017: £20,858) held as a cash balance.

Reserves Policy

The Trustees will seek to maintain a minimum level of unrestricted reserves equivalent to 25% of one years running costs. At 31 December 2018, unrestricted reserves are £2,439,743 or 94% of the 2017 school expenditure on charitable activities (£3,675,601) (2017: 78% of running costs of £3,708,211). Governor's have agreed that some of these reserves can be used to finance the forthcoming School building project over the next 2 years and have initially agreed to £2,500,000.

Senior management remuneration policy

The remuneration of senior management, being the Senior Management Team ("SMT") is set by the Governors. The SMT consists of the Headteacher, the Bursar, the Assistant Headteacher, the Director of Studies, Head of Pre Prep and Deputy DSL.

FUTURE PLANS

The school roll remained at around 250 throughout the year. Choristers remained at 30. All places for the youngest children have been filled for September 2018 with a large number being turned away due to lack of space. Some children will join at age 7, with a few coming in September 2018 at the age of 11 for the final two years of the school. Each year group has a waiting list of applicants.

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. The work will commence in July 2019 as described above.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

The trustees are 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.

Investment Powers and Trustees' Authority

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

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

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

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

Approved by the Board of Trustees on 10/7/ 2019 and signed on its behalf by:

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



ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of St Paul's Cathedral Choir School for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

Matters on which we are required to report by exception

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

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

Use of our report

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



Haysmacintyre LLP
Statutory Auditor

26.7.19

10 Queen Street Place
London
EC4R 1AG

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted £	Restricted £	Endowment £	Total 2018 £	Total 2017 £
Income from:						
Donations		11,236	12,899	-	24,135	27,450
Investments	3	36,483	2,707		39,190	32,779
<i>Charitable activities:</i>						
School fees	2a	3,769,644	-	-	3,769,644	3,592,465
Other ancillary income	2b	389,266	-	-	389,266	361,027
Other trading	2c					
		15,564	-	-	15,564	13,748
Total income		<u>4,222,193</u>	<u>15,606</u>	<u>-----</u>	<u>4,237,799</u>	<u>4,027,469</u>
Expenditure on:						
Charitable activities		(3,674,013)	(1,588)	-	(3,675,601)	(3,708,211)
Total Expenditure		<u>(3,674,013)</u>	<u>(1,588)</u>	<u>-----</u>	<u>(3,675,601)</u>	<u>(3,708,211)</u>
Net income excluding investment gains		548,180	14,018		562,198	319,258
Net gains on investments				(15,776)	(15,776)	75,298
Net income and net movement in funds		<u>548,180</u>	<u>14,018</u>	<u>(15,776)</u>	<u>546,422</u>	<u>394,556</u>
Reconciliation of funds						
Total funds brought forward	9-11	2,891,563	20,858	909,433	3,821,854	3,427,298
Total funds carried forward		<u>3,439,743</u>	<u>34,876</u>	<u>893,657</u>	<u>4,368,276</u>	<u>3,821,854</u>

All amounts derive from continuing activities.

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

Notes 1 to 14 form part of these accounts.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

BALANCE SHEET

AT 31 DECEMBER 2018

		Total 2018 £	Total 2017 £
FIXED ASSETS	Note		
Investments	9	893,657	909,433
Tangible assets	6	1,216,598	1,021,814
TOTAL FIXED ASSETS		2,110,255	1,931,247
CURRENT ASSETS			
Debtors	7	118,055	131,364
Cash at bank and in hand		2,891,516	2,352,762
TOTAL CURRENT ASSETS		3,009,571	2,484,126
Creditors: amounts falling due one year	8	(751,550)	(593,519)
NET CURRENT ASSETS		2,258,021	1,890,607
NET ASSETS		4,368,276	3,821,854
FUNDS			
Endowment funds	9	893,657	909,433
Restricted funds	9	34,876	20,858
Unrestricted funds	10	3,439,743	2,891,563
TOTAL FUNDS		4,368,276	3,821,854

Notes 1 to 14 form part of these accounts.

These financial statements were approved and authorised for issue by the Board of Trustees on
Signed on behalf of the Board of Trustees

10.7.19

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 2018

1. ACCOUNTING POLICIES

Accounting Basis

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

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

Fees and Similar Income

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

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

Expenditure

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

Teaching Materials

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

Depreciation

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

These rates are currently as follows:

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

Pension Schemes

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

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

The School also contributes to the St Paul's Cathedral Stakeholder Pension Scheme (Sun Life AXA Defined Contribution Scheme) for non-teaching staff, and these contributions are accrued accordingly.

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

Taxation

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

Cashflow Statement

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

Investments

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

Cash at Bank and in Hand

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

Funds

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

Restricted Funds

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

Unrestricted Funds

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

Designated Funds

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

Critical accounting judgements and sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

2a. FEE INCOME	2018 Total £	2017 Total £
Gross school fees	3,885,991	3,771,753
Less discounts	(38,234)	(52,421)
Less total bursaries and prizes	(78,113)	(126,867)
Net fees receivable	3,769,644	3,592,465
Add: bursaries and prizes funded by restricted funds	-	-
	<u>3,769,644</u>	<u>£3,592,465</u>
2b. OTHER ANCILLARY CHARITABLE INCOME		
Extras	266,135	283,056
Registration fees	25,550	25,597
School trips	53,626	20,944
Other	32,455	31,430
	<u>377,766</u>	<u>£361,027</u>
2c. OTHER TRADING		
Music and uniform sales	6,295	7,977
Other	9,269	5,771
	<u>15,564</u>	<u>£13,748</u>
3. INVESTMENT INCOME		
Investment Income from Capital Fund	27,442	26,861
Investment Income from Scholarship and Prizes Fund	2,707	2,650
Interest on Cash Deposits	9,041	3,268
	<u>39,190</u>	<u>£32,778</u>
4. EXPENDITURE		
Charitable expenditure includes:		
Depreciation	61,551	57,462
Auditors' Remuneration – fees payable to the charity's auditor for the audit of the charity annual financial statements.	10,320	9,900
	<u>71,871</u>	<u>67,362</u>
Total Staff Costs comprised:		
Wages and Salaries	2,175,081	2,113,336
Social Security Costs	214,696	208,763
Other Pension Costs	234,715	243,346
	<u>2,624,492</u>	<u>£2,565,445</u>

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

4. EXPENDITURE (continued)

	2018 No.	2017 No.
The average number of employees in the year:		
Teaching	30	28
Music	22	24
Teaching assistant	13	14
Domestic	8	8
Administration	5	5
	<u>78</u>	<u>79</u>

35 (2017 – 38) of the above employees are members of a defined contribution scheme. The total cost of the contributions to this scheme made by St Paul's Cathedral School for these employees was £49,700 (2017: £50,170).

	2018	2017
The number of higher paid employees		
£60,000 - £70,000	1	1
£80,000 - £90,000	1	1
Aggregate employee benefits of the Senior Management Team	£213,865	£211,456

The Governors received no remuneration or other benefits for the current or previous years

5. ANALYSIS OF TOTAL EXPENDITURE

2018	Staff Costs £	Other £	Depreciation £	Total £
Education:				
Teaching	2,163,637	146,944	29,202	2,339,783
Welfare	92,147	325,082		417,229
Premises	132,422	311,786	32,349	476,557
Support costs	251,684	177,195		428,879
Governance costs		13,153		13,153
	<u>2,639,890</u>	<u>974,160</u>	<u>61,551</u>	<u>3,675,601</u>
2017	Staff Costs £	Other £	Depreciation £	Total £
Education:				
Teaching	2,120,509	136,512	23,171	2,280,192
Welfare	89,079	309,768		398,847
Premises	134,527	359,677	34,291	528,495
Support costs	242,600	176,844		419,444
Governance costs		81,233		81,233
	<u>2,586,715</u>	<u>1,064,034</u>	<u>57,462</u>	<u>3,708,211</u>

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

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

6. TANGIBLE FIXED ASSETS	Building improvements £	Fixtures, fittings and equipment £	2018 Total s £
Cost or Valuation	2,149,706	520,161	2,669,867
At 1 January 2018			
Additions	185,119	71,216	256,335
As 31 December 2018	<u>2,334,825</u>	<u>591,377</u>	<u>2,926,202</u>
Depreciation			
At 1 January 2018	1,165,953	482,100	1,648,053
Charge for the year	32,333	29,218	61,551
At 31 December 2018	<u>1,198,286</u>	<u>511,318</u>	<u>1,709,604</u>
Net Book Value			
At 31 December 2018	<u>1,136,539</u>	<u>80,059</u>	<u>1,216,598</u>
At 31 December 2017	<u>983,753</u>	<u>38,061</u>	<u>1,021,814</u>

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

7. DEBTORS	2018 £	2017 £
Amounts falling due within one year		
School fees	(1,839)	17,706
Amounts owed by The Chapter		
Accrued Income	84,243	94,198
Other Debtors	35,651	19,460
	<u>118,055</u>	<u>131,364</u>
8. CREDITORS	2018 £	2017 £
Amounts falling due within one year		
Trade Creditors	163,392	220,450
Accruals and Deferred Income	268,789	207,795
Due to The Chapter	319,369	165,274
	<u>751,550</u>	<u>593,519</u>

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

9. INVESTMENTS / FUNDS

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

Endowment funds - 2018	Cost	Capital Fund	Scholarship & prizes fund	Total £
Investments at 1 January 2018	601,940	827,767	81,666	909,433
Revaluation in the year	-	(14,359)	(1,417)	(15,776)
Investments at 31 December 2018	<u>601,940</u>	<u>813,408</u>	<u>80,249</u>	<u>893,657</u>
Investment assets in the UK 31 December 2018				445,657
Investment assets outside the UK 31 December 2018				448,000
				<u>893,657</u>
Restricted fund (held as cash) - 2018				
Cash balances 1 January 2018				20,858
Net income for the year				14,018
At 31 December 2018				<u>34,876</u>
Endowment funds - 2017	Cost	Capital Fund	Scholarship & prizes fund	Total £
Investments at 1 January 2017	601,940	759,231	74,904	834,135
Revaluation in the year	-	68,536	6,762	75,298
Investments at 31 December 2017	<u>£601,940</u>	<u>£827,767</u>	<u>£81,666</u>	<u>£909,433</u>
Investment assets in the UK 31 December 2017				424,378
Investment assets outside the UK 31 December 2017				485,055
				<u>£909,433</u>
Restricted fund (held as cash) - 2017				
Cash balances 1 January 2017				19,824
Net income for the year				1,034
At 31 December 2017				<u>20,858</u>

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

School Capital Fund

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

School Scholarship and Prizes Fund

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

10. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR 2018

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

UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR 2017

	General	Designated Income from Capital Fund	Designated School Bursary	Total
	£	£	£	£
:				
At 1 January 2017	2,573,339	-	-	2,573,339
Surplus/(deficit) for the year	418,230	26,861	(126,867)	318,224
Designation in the year (note 11)	(20,039)	(26,861)	46,900	-
Further transfer required	(79,967)	-	79,967	-
	<u>2,891,563</u>	<u>-</u>	<u>-</u>	<u>2,891,563</u>
At 31 December 2017	2,891,563	-	-	2,891,563

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 DESIGNATED FUNDS

Income from School Capital Fund

In 2009, Governors, with the agreement of the Trustees, voted to transfer some or all of the income from the Capital Fund each year to the Bursary Fund in order to build this up for future use, this arrangement has continued and remains unchanged. Hence in 2018 all of the income was transferred to the bursary funds as shown in note 10.

School Bursary Fund

Since 2010 the Bursary Fund has been an Unrestricted Designated Fund. The Fund assists day children parents who find themselves in financial difficulty during their child's stay in the school and it is hoped to extend this assistance to new families in the future. 6% of each year's Unrestricted Fund surplus is put aside for this purpose. In 2018 the sum was £21,069 (6% of the 2018 surplus of £351,144) plus the income from the Capital Fund (£27,442) which is transferred to the Bursary Fund mentioned in Note 9 above making £48,511. A further transfer of £29,602 had been to make up the shortfall between the recurring transfers and the total bursaries awarded of £78,113

The Governors have agreed that the Chair of the Finance and General Purposes Committee will oversee the Grants Committee.

12 ULTIMATE PARENT

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

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

13 STAFF PENSIONS

Teachers

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £190,625 (2017: £193,293) and at the year-end £nil (2017 - £nil) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary Department. From 1 September 2015 and throughout the period covered by these financial statements the employer rate was 16.4%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

Further to the most recent valuation, the rate from 1 September 2019 will increase to 23.48%.

ST PAUL'S CATHEDRAL CHOIR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

Other Staff

Defined Contribution Scheme: 38 non-teaching staff participate in the defined contribution scheme run by St Paul's Cathedral with Aviva for its staff. The assets of the scheme are held in independently administered funds. The pension charge for 2018 includes contributions payable to the scheme of £52,721 (2017: £50,170)

Final Salary Pension Scheme: four non-teaching staff participated in the St Paul's Cathedral Final Salary Pension Scheme which closed to service accrual 15th May 2007.

According to the terms of the Instrument of Delegation, all administration costs of the Cathedral Pension Schemes will be borne by St Paul's Cathedral and a direct extract from Cathedral accounts for pensions reads:

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

The three-yearly actuarial valuation of the Scheme as at 30 September 2017 was completed during 2018. The funding plan is for the Scheme to hold assets to the value of the benefits using the methodology as set out in the Scheme's Statement of Funding Principles. This valuation showed the Scheme had a target level of assets of £28.7 million. After taking account of its actual assets of £26.0 million, the Scheme had a deficit of £2.7 million which means its funding level was 91% in September 2017. However, by the time the valuation had been completed on 9 November 2016, the Trustee determined that the Scheme was expected to have a small surplus owing to improvements in financial markets and further contributions paid by the Cathedral. As a result of the surplus in the Scheme, the Trustee determined that no further contributions would be needed from the Cathedral before 30 September 2019 when the next three-year actuarial valuation is due. The Employer was required to make additional contributions of £660,000 per annum to the end of November 2018 to pay off the deficit.

14 RELATED PARTY TRANSACTIONS

During the year the St Paul's Cathedral Chorister Trust contributed £84,146 (2017 £69,239) towards the Boarding fees of 17 (2017 14) choristers.

