

ST PAUL'S SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Registered Company Number: 06141973
Registered Charity Number: 1119619

ST PAUL'S SCHOOL

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

CONTENTS PAGE

Section	Page No.
Chair of Governing Body's Statement	1
Governors' Report	2 – 17
Independent Auditor's Report to the Members of St Paul's School	18 – 20
Statement of Financial Activities	21
Summary Income and Expenditure Account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 – 43

This has been a year of great activity across St Paul's, building on the strong foundations of the School and the planning undertaken last year. Whilst this has encompassed academic and co-curricular success, a key element has been the strong emphasis on School values across all School life. This sense of belonging and commitment to a shared code of behaviour has resulted in a cultural change in the School which was recognised when the School was named as Independent Boys' School of the Year 2023 in the Autumn term 2023. The School now feels part of a wider community, and this has been reflected in stronger links with West London partnership schools and with St Paul's Girls' School. Most pupils at both boys' and girls' schools now regularly participate in joint activities which is fostering stronger links among staff and pupils.

This last year has seen the School's partnership programs benefit from the additional teaching resources, partly funded by our donors, and partly from the School's resources, across different departments now being made available to our partner schools in addition to our summer school programs. This has complemented the growth in our online presence through Colet Mentoring and Primary Professor programs. It has also led to stronger links at pupil level with our partner schools which I know is becoming an important part of School life for our pupils.

The School has also started working more closely with local primary schools and we were very pleased to welcome Mark Tuffney, head of Lowther Primary School, to the Governing Body. Our relationship with our primary school neighbours is critical for our goal of increasing the numbers of applicants and acceptances for our bursary program. Our work on the bursary and partnership programs has been bolstered by the work of our Public Benefit Committee which for the first time has drawn together all of the many strands of the work and I am grateful to that committee for this important work.

On the academic front, the School's results, whilst returning to pre-pandemic levels, as seen across the independent school sector as a whole, have continued to be exceptionally strong with over 50% of all A level grades at A* and 87% of GCSE grades at 9 – 8. We are proud of the breadth of Pauline talent displayed by the Sixth Form: four pupils were amongst the highest performers nationally for Art and Design: Fine Art, while in Maths 89% of grades were a 9. The vertical tutor system is now fully bedded in after its suspension during lockdown and this sits well with the new structure of School houses overseen directly by the undermasters. The spirit of friendly rivalry in gaining house points (with results posted daily in the Atrium) has provided a welcome focus for School life outside the classroom. Sport goes from strength to strength with successes in Athletics, Cricket, Fives, Football, Rackets, Rowing, Rugby, Swimming and Tennis, while the U15 Basketball team and Ultimate Frisbee first team were both undefeated. Music continues to impress the Governors with a wide breadth of participation coupled with some truly extraordinary talent across the full musical spectrum from barber shop to baroque via jazz, swing and choral.

All of this has only been achieved through the hard work of both our academic and non-teaching staff and through the strong leadership from our executive team, led by the High Master. As always, I am grateful to them as well as to my fellow Governors for the success achieved by the School over the past year. But most importantly the achievements of the past year belong to our pupils who continue to impress the Governors with their enthusiasm as well as their attainments.



Richard Cassell
Chair of Governors

6 December 2023

STRATEGIC REPORT

OBJECTS, AIMS AND OBJECTIVES

Charitable Objects

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

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

Aims and Intended Impact

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

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

Aims of the School

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

Objectives to Achieve the Aims for the Year

The School's key objectives for the year and performance against them are shown below. These are shown under the three pillars of Education, Public Benefit and Finance and it is shown where some objectives relate to more than one pillar.

Education, Public Benefit and Finance

1. Grow collaboration between SPS and SPJ in order to build the 7 – 18 experience.
2. Fully understand and disseminate the School's unique qualities in comparison to other schools in the sector and explore platforms for sharing this more widely.
3. Determine the future of boarding at the School.

Education and Finance

4. Determine the correct shape and structure of the School including boarding.
5. Have a continued review of staff workload and conditions to ensure we are an appropriate employer for the 21st century.

STRATEGIC REPORT (continued)

OBJECTS, AIMS AND OBJECTIVES (continued)

Objectives to Achieve the Aims for the Year (continued)

6. Plan for employee wellbeing for the 21st century incorporating financial, mental, social, career and physical wellbeing.

Education

7. Further develop Character Education in the fabric of the School culture.
8. Continue to grow co-educational academic and co-curricular opportunities through collaboration particularly with SPGS but also other West London Partnership schools.
9. Complete the curriculum review and generate firm proposals for lesson length, structure of the School day and GCSE and A Level programmes.
10. Embed the new House and Tutor systems.
11. Ensure that Paulines get the fullest possible support and opportunity within the changing Higher Education landscape to achieve a place at their first-choice institution.

Public Benefit

12. Introduce a whole School approach to admissions attracting the best candidates, including scholars, in line with the nature of the London market.
13. Ensure we have an appropriate contextual admissions process for pupils of all backgrounds.
14. Develop a bursary strategy to reach suitable candidates for bursaries at all age groups.
15. Further develop the work with the West London Partnership and local primary schools, embed ourselves in the local community and measure the impact of our work.
16. Further develop work with the Associated Schools and College of the Mercers' Company and other partners in the UK and abroad, and measure the impact of our work.
17. Complete the £20m Shaping Our Future fundraising campaign and agree the direction for the next five years.
18. Continue to develop and sustain the St Paul's wider community of pupils, parents, former parents and alumni.

Finance

19. Establish a financial strategy that informs budgetary process and considers threats and changes to the sector.
20. Properly establish initiatives for commercial income, providing reliable income streams with potential for future growth.
21. Ensure budgetary and programme control of the SPJ redevelopment.

STRATEGIC REPORT (continued)

OBJECTS, AIMS AND OBJECTIVES (continued)

Objectives to Achieve the Aims for the Year (continued)

The Education, Public Benefit and Finance objectives are well advanced particularly following the arrival of Oliver Snowball as the Head of SPJ in September 2022. Work across SPS and SPJ has continued to be cemented since then with closer collaboration at Core Strategy Group and Executive level and also at pupil level via the head boy / School captain teams. A clear vision statement, pillars and character traits have been agreed and are increasingly embedded. A multi-stage boarding strategy continues to be worked through with the ultimate aim of building a new boarding house.

There has been some progress on the Education and Finance objectives but there is still more work to do in terms of the longer-term model for pupil numbers and the SPJ rebuild, the curriculum review, lesson length and structure of the School day. There has been work carried out during the year around maternity pay, the teacher pay spine and pensions.

Substantial progress has been made on the Education objectives. The Head of Character Education is now embedded and character traits across the whole School have been established. Work with SPGS continues to grow and an MoU between the two schools is proposed. The new House and Tutor system has received strong feedback from staff, pupils and parents and a new strategy for careers is being pursued, including the recruitment of a new Head of US Admissions.

On the Public Benefit objectives, the Core Strategy Group with the Public Benefit Committee have developed an overarching strategy for bursaries and partnership work and have begun to implement it. A Head of Access has been recruited and there is ongoing work on admissions and recruiting bursary candidates. Additional staff have been recruited for September 2023 to significantly increase partnership work across SPS and SPJ. The Shaping Our Future fundraising campaign is concluding with over £19m raised and we continue to work with parents and alumni with a programme of in person and online events.

In terms of the Finance objectives, financial modelling has taken place to take into account external threats such as a change in government policy. These financial models are frequently shared with senior leaders and the Governors. The target for commercial income in 2022/23 has been hit and online enterprises continue to be explored. Monthly project meetings continue to be held on the SPJ rebuilding project with the involvement of the Governing Body.

ACTIVITIES

Review of Achievements and Performance for the Year

In addition to the specific aims and objectives for the year, below are some key outcomes in relation to the operational (educational) performance of the School.

Operational Performance of the School

In 2023, public examination results as a whole returned to pre-pandemic levels, as seen across the independent school sector. At A Level, 51% of grades awarded were A*, 85% were A* or A and 97% were A* to B. Of Paulines heading to university in 2023, 52% went to universities ranked in the world top 20. Of those heading to the UK, 98% went to Russell Group institutions and 54 took up places at Oxford and Cambridge. At GCSE and IGCSE, 62% of grades awarded were at Grade 9 and 87% were Grade 8 or 9.

Applications to the School at the main entry points of 7+, 11+, 13+ and 16+ remain very high. During the 2022/23 academic year, 143 pupils received bursary awards – around 9.5% of the School – with 95 being awarded more than 75% of fees. Over 50% of the current parent body donate to bursaries and pupils continue to fund raise for this programme. During the 2022/23 academic year, pupils elected to focus on local charities and to support the work of Great Ormond Street Hospital.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Operational Performance of the School (continued)

This was a year in which the School successfully remodelled its pastoral systems, with the re-introduction of vertical tutoring and the introduction of eight 'houses.' This has been hugely successful in terms of pupil interaction and providing continuity of care. Partnership work has also been a focus of attention with our resident particle physics course winning national awards and work with St Mary's Ukrainian school continuing to evolve. We also hosted a leadership course for the Mercers' Associated Schools and work with our sister school, St Paul's Girls' School, continues to grow.

In terms of the site, St Paul's Juniors decanted in October 2022 to a former Senior School science building, now re-named Ichthys, under the leadership of a new Head, Oliver Snowball. Plans for an entirely new Junior School are well underway to be completed in the latter half of 2025. The School also opened a new Performance Centre, with the intention of promoting general health and fitness for all, in addition to supporting our top athletes.

Outstanding Achievements 2022/23

For a full list of outstanding pupil achievements for the 2022/23 academic year, please refer to the School website – www.stpaulsschool.org.uk/about-st-pauls/news/ or click on this [link](#).

Principal Activities of the Year (including Public Benefit)

The total number of pupils at the School was 1,516, of whom 517 were at St Paul's Juniors and 999 at St Paul's (SPS). Of the total number, 143 (2022: 148) pupils were assisted with means tested bursaries. 66% (2022: 79%) of these awards were either full fee or higher than 75% of fees compared to 49 bursaries in total and 45% at the same level in 2015-16. The total means-tested bursaries for the year ended 31 August 2023 were £3,205,000 (2022: £3,271,000) representing 8.1% (2022: 8.8%) of gross School fees. Widening access to the School, through increased bursary support as necessary, remains a priority and, for the 2023/24 academic year, there are currently 129 pupils being assisted with means tested bursaries, with 80% of these awards being either full fee or higher than 75% of fees. The School's bursary awards, in addition to the main School fee, cover educational trips which form part of the curriculum, bus transport, iPads (where applicable), music tuition fees (where applicable), examination fees, books and School uniform.

Charitable Activities and Partnerships

Charity Partnerships

The St Paul's Charity Committee (made up of staff, parents and pupils), set up in June 2019, alongside the Pauls4All L8th student committee, have worked hard to fund raise for and increase awareness about our chosen local charities (City Harvest, (Friends of) Barnes Common, London Sports Trust and Doorstep), UK Charity of the Year (GOSH) and international charity (Beyond Ourselves).

The SPS Pauls4All Charity Committee for 2022-23 led a series of campaigns which were aimed at educating the School community about the charities we support, including panel discussions and talks during Pauls4All week and the inaugural charities convention. Mufti days were vital in relaying this message, and it was heart-warming to see parents and pupils respond by giving generously.

The total raised by students across SPS/SPJ during the academic year for partner charities is approximately £18,000.

School Partnerships

The School employs a full time Assistant Director of Partnerships and Service responsible for community relations and developing academic and sporting partnerships as well as promoting the use of School facilities within the local community. An overview of existing programmes is shown below. Well over 2,500 state school pupils have benefited compared to an annual number of approximately 1,500 pre COVID-19.

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Charitable Activities and Partnerships (continued)

Local School Partnerships 2022/23 (state school pupil numbers in brackets where available)

Academic Partnerships	Community/Sports Partnerships
Music String Day	Capsize Drills for local rowing clubs – 4 Clubs over 120 participants (throughout year)
Chemistry – Year 10 – 4 week Saturday programme (27)	Lowther School weekly swimming – 50 pupils every week (term time)
144 hours of online Oxbridge preparation for Year 13 (80)	Westside Basketball Club (305)
Residential Material Science School (30)	Barnes Children's Literary Festival (BCLF)
Residential Particle Physics School in partnership with Queen Mary's University (32)	Book club (100)
Latin Cohorts preparing for GCSE (3 year groups, Y9-11) (66)	8 events up to 100 children
Economics Trading Day February 2023 (60)	BCLF primary school programme (500+)
Biology – 3 week Saturday Programme (17)	World Cup Day Football June 2023 (96)
Exponentials Physics Y12 - 2 week Saturday (21)	Camp with Fulham Reach (Holiday Hunger) (60)
Physics Y10 2 weeks - how to build a Universe (42)	SPJ sport (football/pentathlon with local primaries (100)
First Medics Masterclasses – students applying to study medicine (8)	Regular fixtures with Fulham Boys and other WLP schools (200)
Humanities Conference October 2022 (40)	
Mercers STEM catch up and inspiration (4 days Easter holidays) (78)	
Primary Professors (100)	
Primary Latin (20)	
Links with St Mary's (London Ukraine school) (200)	
Start-It entrepreneurship (e.g. Y11 post GCSE; Y12 HFX trading (300)	

The above programmes generally take place at St Paul's, are run by SPS/SPJ staff and occur after school hours, at the weekend or during school holidays. Other major programmes, some in addition to the table of activities above, are highlighted below:

Colet Mentoring / SPS Online: The Colet Mentoring programme continues to be a popular choice for SPS pupils to volunteer. The mobile app, developed by two old Paulines, Phil and Dom Kwok, has enabled us to create a flexible volunteering programme for our pupils and partner schools' volunteers to connect with students not geographically close to us. Furthermore, it has allowed younger SPS pupils to get a taste of volunteering. For example, 20 of the 4th and 5th Form pupils spent time during their Wednesday lunch breaks supporting UK primary school students and Y9 and Y10 secondary school students in Somaliland in Maths, illustrating how SPS Partnerships works locally and globally. It is also a fantastic example of the old Paulines' work enriching the wider education of the current Paulines, showcasing how they continue to put the education they have received in service of others. During the last academic year, the platform hosted over 1,550 mentoring sessions and connected 150 mentors with 290 students who used the Colet app to get free academic support in STEM subjects. We are exploring linking this to more SPS content via a primary school outreach programme (Barnes' Numbers Nest) and eventually SPS Online.

STRATEGIC REPORT (continued)

ACTIVITIES (continued)

Charitable Activities and Partnerships (continued)

West London Partnership: As part of the School's partnership strategy, this local private-state partnership was established formally in May/June 2020 with five independent schools and five local state schools. This partnership was established with the intent of fostering mutual growth and learning. Within this context, the Start-it Entrepreneurship programme was seamlessly integrated, featuring impactful events tailored to various year groups (Year 8 to 12) and even extending to alumni. This programme has become an integral facet of the partnership, augmenting existing collaborative and outreach initiatives. A notable recent achievement includes the hosting of the Start It Sustainable Entrepreneurship Course. Aimed at Year 11 pupils from our West London Partnership Schools, this course attracted the participation of over 200 enthusiastic individuals from seven different schools with this year's crown of Best Overall Concept going to Nature Nest, a company which aims to recycle the waste created by leftover tents at festivals.

Primary Professors: This was originally launched in 2021/22, re-branding what we did pre-COVID and expanding its length (three terms versus two) and range of subjects. During the course of the year, approximately 100 Y5 pupils from 30 local primaries have taken part in a range of academic enrichment lessons from STEM to Entrepreneurship and Philosophy. Around 20 Y12 pupils from SPS and SPGS volunteer on the programme and Y5s are given access to Colet Mentoring as part of the programme.

STEM Summer Schools: Two residential Physics Summer Boarding Schools on Particle Physics (in partnership with Queen Mary's University London) and Materials (in partnership with the Institute of Materials, Minerals and Mining) took place involving 62 Y10 students from around the country. This is funded by a donor parent who is also sponsoring the first bursary place that has been awarded from the course (L8th pupil who joined the School in September 2022).

Use of School Facilities by the Wider Community: Sporting clubs are run by both SPS staff and local volunteers, and offer young people a range of activities throughout the year. The School also lets out its facilities free of charge to local primary and secondary schools and charities, including Westside Basketball and Barnes Childrens' Literary Festival. Many local sports clubs also make use of our excellent sports facilities. Regular users are Barnes Swimming Club, Penguins Water Polo Club and Westside Basketball Club. New organisations we worked with this year, providing them with access to our facilities over the summer holiday, include Fulham Reach Rowing Club who collaborated with Queens Tennis Club and Three Pillars Basketball Club to deliver 'on land' skills sessions. We provided Chelsea Football Club Foundation access to our 3G pitch twice a week to provide 'non scouting' free football sessions for the local community

Volunteering

All L8th pupils volunteer in the Autumn and Spring Terms, usually with one of our partner schools or charities – an initiative linked with the PSHE and General Studies curriculum. Many pupils choose to continue during the Summer Term and all 8th Form pupils have the opportunity to volunteer as part of their Wednesday 'Games Half'. In addition, a selection of volunteering opportunities are made available to the 6th Form once they have completed their GCSEs, with around 80 students taking part in 2023. Throughout the School, there are also opportunities for students to volunteer online via Colet Mentoring, our peer-to-peer learning app, where student volunteers are able to mentor other students through academic challenges they might have. Alongside this, most 5th Form pupils regularly volunteer for their Duke of Edinburgh Award.

Alumni Activities

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

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (continued)

STREAMLINED ENERGY AND CARBON REPORTING

In accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, the School's energy usage and emissions for the year ended 31 August 2023, as prepared by an independent consultant, were as follows:

	2023	2022
UK energy use in kWh	5,976,203	6,934,241
Associated Greenhouse Gas emissions in Tonnes CO ₂	1,150	1,288
Intensity ratio (kilogram of CO ₂ per meter squared of gross internal area)	35.44	43.44

UK energy use covers all of the School's educational and operational activities. Associated Greenhouse Gas emissions have been calculated in accordance with the UK Government 2023 GHG conversion factors.

During the reporting year, the School has undertaken the following actions to improve its energy efficiency:

- Begun the second phase of the Building Management System upgrade, allowing for a more efficient use of the Heating, Ventilation and Air Conditioning (HVAC).
- Brought forward the automatic shutdown time of all School desktop computers from 8:00pm to 6:30pm.
- Introduced a paperless Computer Aided Facilities Management System, removing the need to print off 3 – 4,000 sheets of paper per annum, as was done previously.
- Shut-off or significantly reduced the heating to buildings that are not being used or have reduced staffing levels over the School holidays.
- Invested in low carbon technologies, with the purchase / lease of two electric vehicles and electric mowers and a proposal to exchange diesel equipment for electric is currently being drawn up.
- Both the Milton and the SPJ Music Buildings have received LED lighting upgrades. Old sodium fittings have been removed in the Sports Hall, Rackets area and the swimming pool. This will see a reduction in the School's electricity consumption.
- 17 employees have signed up to the cycle to work scheme. Whilst this is not quantified in this report, this will reduce the School's Scope 3 Category 7: commuting emissions.

FUTURE PLANS

The Governors' three to five-year objectives are listed below. These are again shown under the three pillars of Education, Public Benefit and Finance and it is shown where some objectives relate to more than one pillar.

Education, Public Benefit and Finance

1. Grow collaboration between SPS and SPJ in order to build the 7 – 18 experience.
2. Fully understand and disseminate the School's unique qualities in comparison to other schools in the sector and explore platforms to share this more widely.
3. Determine the future of boarding at the School.

Education and Finance

4. Determine a clear framework for employees to be recruited, managed, developed and supported as needed for the future.

STRATEGIC REPORT (continued)

FUTURE PLANS (continued)

Education

5. Continue the growth of collaboration with SPGS.
6. Complete and implement the curriculum review.
7. Ensure higher education advice and support remains at a high standard and Paulines continue to access their first-choice institutions.
8. Continue to improve and better define the ways in which a St Paul's education attends to the broader social and moral development of our pupils, including better inculcating our School values and 'character' into the curriculum and promoting a concern for social justice.
9. Build upon year one of the new House system, seeking to refine it, and develop its contribution to the School pastoral culture.
10. Ongoing review and development of the SPS co-curricular provision through the completion and implementation of the Sports and Pupil Participation Reviews.

Public Benefit

11. Ensure that our admissions system and identify and attract potential Paulines from all areas of society.
12. Increase public benefit work with the West London Partnership, primary schools and others.
13. Establish the associated costs of the public benefit work once agreed and develop a fundraising campaign to deliver funds if needed. This will require strong community building and growth of alumni network activity.

Finance

14. Establish a financial strategy that considers budgetary processes and addresses threats to the sector.
15. Fully establish initiatives for commercial income.
16. Establish an estate plan for the future.

STRATEGIC REPORT (continued)

RISK MANAGEMENT

The Governing Body is responsible for identifying and addressing risks. Governors are aware of the need for prudent financial management, following the re-building of the senior school over the past decade. A commitment was made to parents that fees would not grow faster than inflation and a Future Estate Capital Fund was established to cover any need for replacement of buildings into the future. The COVID-19 pandemic saw the pause in building work but plans to rebuild the Junior School were set in motion again with the decant to the former senior school science building in Autumn 2022 put in place. Construction work on the new Junior School buildings is expected to commence later in 2023. The School is also seeking to improve sports facilities in the near future. Plans to establish new commercial income streams continue to be developed, including through lettings.

The Governors are aware of the possible challenges that the independent school sector could face were there to be a change of government at the next general election and are preparing for the challenges of possible changes in government policy regarding charitable tax reliefs. The Governors are also mindful of the continuing impact of high inflation and interest rates on household finances for our families and we will continue to monitor the situation very closely and offer support wherever possible.

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial results are presented on pages 21 - 43 of this report. During the year there was a net increase in funds of £1,758,000 (2022: £2,707,000) bringing the total funds to £124,847,000 at 31 August 2023 (2022: £123,089,000). In addition to the School's operational surplus the main reasons for the increase in funds for the year were bursary donations, bank interest and investment income.

The School's main income is from fees. The total income of £46,316,000 (2022: £41,805,000) consists of unrestricted income of £42,839,000 (2022: £38,186,000), restricted income of £2,893,000 (2022: £2,119,000) and endowed income of £584,000 (2022: £1,500,000). The restricted income funded bursaries, scholarships and prizes. The unrestricted income, in addition to fees, includes bank interest, investment income, trading income, donations and legacies and other categories such as rents received.

Within total expenditure of £44,184,000 (2022: £39,591,000), educational costs were the largest category of expenditure at £24,249,000 (2022: £21,175,000) followed by premises costs at £8,516,000 (2022: £7,036,000).

The School's finances continued to be monitored very closely during the year, particularly as a result of the inflationary cost pressures, and remain in a strong position, with the unrestricted net income for the year before investment gains and transfers increasing from £1,702,000 in 2022 to £1,886,000.

Reserves Policy

The funds at the year-end totalled £124,847,000 (2022: £123,089,000) which included £112,900,000 of unrestricted funds (2022: £111,527,000), £6,654,000 of restricted funds (2022: £6,948,000) and £5,293,000 of endowed funds (2022: £4,614,000).

The Trustees have set a reserves policy which requires:

- a reserve of £5million to be maintained, separately from the School's working capital, to ensure the School can continue to pay salaries and creditors for three months with no additional income;
- a reserve to cover the cash required by the budgets formally committed to the rebuilding project;
- an agreed contribution to the now closed to new members and to future accrual defined benefit pension scheme for non-teaching staff at the School. This scheme is no longer in deficit as at 31 August 2023 but the School remains committed under the current recovery plan to make additional contributions of £789,000 in the 2023/24 financial year;

STRATEGIC REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Reserves Policy (continued)

- a contribution of £1,610,000 as at 31 August 2023 (2022: £1,550,000) out of the School's cash surpluses into a designated Future Estate Capital Fund dedicated to the long-term provision of capital to allow the replacement and refurbishment of buildings and fabric of the School estate in the long term if needed. This annual contribution will rise to £2,260,000 by August 2026 and will then continue at that level into the foreseeable future;
- a commitment to set aside any remaining cash surpluses from each financial year after the above contribution to the Future Estate Capital Fund and Private Placement capital repayments towards future bursary awards and partnerships / public benefit work.

As at 31 August 2023, the School has negative free reserves of £20,819,000 after allowing for the above reserve of £5,000,000 and £1,610,000 Future Estate Capital Fund contribution which are both held in readily available cash. This reflects the substantial investment that the School is making, and will continue to make, in its buildings. The negative free reserves position is therefore expected to continue for the foreseeable future. However, the School has a very strong net current asset position of £43,951,000 (2022: £56,774,000). Therefore, having assessed the School's financial position, the plans for the foreseeable future, the risks to which the School is exposed and the detailed cash projections, the Governors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

Investment Policy

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

Investment Performance against Objectives

The market value of the School's investments at the end of the year was £21,874,000 (2022: £9,931,000). The School's investments are mainly in equities and funds. The value of the portfolios held with Waverton Investment Management Limited and Rathbone Investment Management Limited have increased by 6.47% and decreased by 1.59% respectively in capital terms. The difference in performance reflects the different mandate for each investment manager. This performance is below the benchmarks of CPI plus 4.50% for Waverton and CPI plus 3.00% for Rathbones. The performance of Waverton is consistent with market conditions during the year but the performance of Rathbones is disappointing and only on a par with an equivalent equity risk charity index.

Fundraising Practices

The 2022/23 academic year was the final year of the £20 million 'Shaping our Future' Campaign launched in May 2019. The 'Shaping our Future' initiative centres around three key areas of focus: Excellence without Exclusivity (widening access), Working in Partnership and Building to Inspire (the Sports Pavilion and the Boathouse - both of which will also support our agenda to increase our partnership work, and also diversify income). We have raised £19.46m including projected Regular Gifts. We were £470k below target on our bursary work this year and also under on partnership income, reflecting the fact that we have been without an Associate Director for the last year. This year also saw the launch of the ongoing Boathouse Campaign.

Our Partnership income is below target (£86.3k against a target of £125k for 2022/23). This is an improvement from last year, but unfortunately still short of the target. We currently have 63%* of our parent body supporting the campaign and 9% of alumni (against 50% and 7.6% in August 2022). The amounts being given however by these two constituency groups has shifted slightly from last year. 2021/22 saw 48% from parents and 44.3% from Old Paulines. 2022/23 saw 42% from parents and 52% from Old Paulines, although this skew can be explained by one OP's large donation. * this includes 2023 leavers' parents

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Fundraising Practices (continued)

On the capital front, we have £440k left to raise for the Sports Pavilion and an adjusted target of £2.7m to refurbish, rather than rebuild, the Boat House.

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

<u>Year</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>5 Year Total</u>
Target	£660,000	£1,320,000	£1,980,000	£2,640,000	£3,300,000	£9,900,000
Achieved	£2,085,763	£1,559,577	£3,730,299	£3,568,381	£2,831,319	£13,775,339

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

<u>Year</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>5 Year Total</u>
Target	£25,000	£125,000	£125,000	£125,000	£125,000	£525,000
Achieved	£13,750	£115,063	£72,993	£57,960	£86,330	£346,096

3. Fundraising Targets for Building to Inspire over the next five years

Original targets: Boathouse £7,000,000; Sports Pavilion £2,600,000; Total £9,600,000.

Adjusted targets: Boathouse £2,700,000; Sports Pavilion £2,600,000; Total £5,300,000.

Pavilion outstanding pledges	£1,750,000
Pavilion received 2022/23	£125
Pavilion received 2021/22	£62,659
Pavilion received 2020/21	£65,261
Pavilion received 2019/20	£7,306
Pavilion received 2018/19	£210,000
	<u>£2,095,351</u>
Boathouse received 2022/23	<u>£31,388</u>
	<u>£31,388</u>

Buffalo Fundraising Consultants were employed to support the infrastructure for the Telethon (September 2022) and the Giving Day (April 2023).

The planning and preparation for the next fundraising campaign is currently underway and more information will be shared once the details have been finalised.

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

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

STRATEGIC REPORT (continued)

Companies (Miscellaneous Reporting) Regulations 2018

The Governors have promoted the success of the School by acting in good faith to assist the charitable company to meet its aims and objectives. Further detail on this can be found in the 'Objectives to Achieve the Aims for the Year' section of this report on pages 2 to 4.

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Governing Body

The Governors of the School are the trustees of the charity and directors of the company. The Governors serving at the date of this report, and who served throughout the period 1 September 2022 until 31 August 2023 (except where otherwise stated), are:

Richard Cassell (*Chair*)

Tim Haynes (*Deputy Chair*)

Tom Adeyoola

Sarah Barker

Veryan Exelby (*Safeguarding Governor, Educational Visits Governor from 1 September 2022*)

Andrew Fenwick (appointed 1 September 2022)

Lord Grabiner QC (retired 31 July 2023)

Joanne Harris (*Health and Safety Governor from 31 October 2022*) (appointed 1 September 2022)

Harold Hampson

Samuel Newhouse

Alison Palmer (*Boarding Governor*)

Aisha Sanusi (*Inclusion Governor from 1 September 2022*)

Sarah Thomas

Rupert Tate (appointed 1 September 2022)

Mark Tuffney (appointed 31 October 2022)

Rt. Hon. Lord Vaizey

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

Education Committee:

Sarah Thomas (*Chair*)

Tim Haynes

Rupert Tate (from 1 September 2022)

Mark Tuffney (from 31 October 2022)

Finance Committee:

Harold Hampson (*Chair*)

Richard Cassell

Andrew Fenwick (from 1 September 2023)

Tim Haynes (from 1 September 2022 until 31 August 2023)

Samuel Newhouse

Alison Palmer

Nominations and Remuneration Committee:

Alison Palmer (*Chair*)

Richard Cassell

Tom Adeyoola (from 1 September 2022)

Sarah Barker

Public Benefit Committee:

Samuel Newhouse (*Chair from 1 September 2022*)

Richard Cassell

Tom Adeyoola

Aisha Sanusi (from 1 September 2022)

Rt. Hon. Lord Vaizey (from 1 September 2022)

Safeguarding Committee:

Veryan Exelby (*Chair*)

Joanne Harris (from 1 September 2022)

Sarah Thomas

Nick Arnold *

Paul Doyle *

Clare Kelly *

Sam Madden *

Nick Watkins *

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key Management Personnel:

High Master:	Sally-Anne Huang
Surmaster, St Paul's:	Francis Clough
Head, St Paul's Juniors:	Oliver Snowball (from 1 September 2022)
Finance Director:	Steven Grace

Recruitment, Induction and Training of Governors

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

Organisational Management

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

The Governing Body has the following sub-committees:

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

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

Key Management Remuneration

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

ST PAUL'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Regulation

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

Registered Office and Advisors

Registered Office:	Lonsdale Road Barnes London SW13 9JT	
Legal:	Veale Wasbrough Vizards Central Court 255 Southampton Buildings Chancery Lane London WC2A 1AL	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 1AL
Auditor:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	
Banking:	National Westminster Bank Plc 111 - 117 Putney High Street Putney London SW15 2LL	
Investment Management:	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
Actuaries:	Barnett Waddingham 2 London Wall Place London EC2Y 5AU	XPS Pensions Group Tempus Court Onslow Street Guildford GU1 4SS
Insurance Broker:	Hettle Andrews & Associates Limited Eleven Brindleyplace 2 Brunswick Square Brindleyplace Birmingham B1 2LP	
Website: St Paul's School	www.stpaulsschool.org.uk	

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the trustees and directors of St Paul's School for the purposes of charity and company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of its incoming resources and application of resources, including income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

AUDITOR

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

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



Richard Cassell
Chair of Governors

6 December 2023

Opinion

We have audited the financial statements of St Paul's School for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of the net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charitable company; or

- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 17 the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP 2019), and considered other factors such as payroll taxes and VAT.

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

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

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



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

10 Queen Street Place
London
EC4R 1AG

Date: 20 December 2023

ST PAUL'S SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Charitable activities						
School fees receivable	2	38,747	-	-	38,747	36,397
Ancillary trading income	3	1,891	-	-	1,891	1,073
Other trading activities						
Non-ancillary trading income	4	158	-	-	158	118
Investments						
Investment income		163	212	-	375	159
Bank and other interest		1,660	-	-	1,660	440
Voluntary sources						
Donations, legacies and grants	5	220	2,681	584	3,485	3,612
Other income						
Surplus on disposal of fixed assets		-	-	-	-	6
Total income		42,839	2,893	584	46,316	41,805
Expenditure on:						
Raising funds						
Financing costs	8	1,472	-	-	1,472	1,527
Investment management		96	-	-	96	45
Fundraising and development		352	-	-	352	369
Marketing and publicity		669	-	-	669	528
		2,589	-	-	2,589	2,469
Charitable activities						
Education and grant making		38,364	3,231	-	41,595	37,122
Total expenditure	7	40,953	3,231	-	44,184	39,591
Net income / (expenditure) from operations before investment gains / (losses) and transfers		1,886	(338)	584	2,132	2,214
Net gains / (losses) on investments	10	114	47	94	255	(839)
Transfers between funds		2	(3)	1	-	-
Net income / (expenditure)		2,002	(294)	679	2,387	1,375
Other recognised gains						
Pension scheme actuarial (losses) / gains	19	(629)	-	-	(629)	1,332
Net movement in funds		1,373	(294)	679	1,758	2,707
Reconciliation of funds						
Fund balances at 1 September 2022		111,527	6,948	4,614	123,089	120,382
Fund balances at 31 August 2023	18	112,900	6,654	5,293	124,847	123,089

The attached notes on pages 25 to 43 form an integral part of these financial statements.

All of the School's activities represent continuing operations.

See note 24 for the Statement of Financial Activities for the year ended 31 August 2022.

ST PAUL'S SCHOOL

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	2023 Unrestricted and restricted funds £'000	2022 Unrestricted and restricted funds £'000
Income from:		
Charitable activities		
School fees receivable	38,747	36,397
Ancillary trading income	1,891	1,073
Other trading activities		
Non-ancillary trading income	158	118
Investments		
Investment income	375	159
Bank and other interest	1,660	440
Voluntary sources		
Donations, legacies and grants - unrestricted	220	152
Donations, legacies and grants - restricted	2,681	1,960
Other income		
Surplus on disposal of fixed assets	-	6
Total income	45,732	40,305
Expenditure on:		
Raising funds		
Financing costs	1,472	1,527
Investment management	96	45
Fundraising and development	352	369
Marketing and publicity	669	528
	2,589	2,469
Charitable activities		
Education and grant making	41,595	37,122
Total expenditure	44,184	39,591
Net income before investment gains / (losses)	1,548	714
Net gains / (losses) on investments	161	(457)
Net income	1,709	257

The above Summary Income and Expenditure Account represents the total unrestricted and restricted income and expenditure as shown in the Statement of Financial Activities on page 21 and its presentation is required under the Companies Act 2006.

The attached notes on pages 25 to 43 form an integral part of these financial statements.

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	9	112,938	110,233
Investments	10	21,874	9,931
		<u>134,812</u>	<u>120,164</u>
Current assets			
Stock		96	94
Debtors	11	2,160	1,471
Cash at bank and in hand		48,541	60,660
		<u>50,797</u>	<u>62,225</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(6,846)	(5,451)
Net current assets		<u>43,951</u>	<u>56,774</u>
Total assets less current liabilities		<u>178,763</u>	<u>176,938</u>
Creditors: amounts falling due after more than one year	13	(53,851)	(53,783)
Provisions for liabilities and charges	14	(65)	(66)
Net assets excluding pension liability		<u>124,847</u>	<u>123,089</u>
Pension scheme liability	19	-	-
Net assets		<u><u>124,847</u></u>	<u><u>123,089</u></u>
FUNDS			
Endowment funds	18	5,293	4,614
Restricted funds	18	6,654	6,948
Unrestricted funds	18	112,900	111,527
Total funds before pension reserve		<u>124,847</u>	<u>123,089</u>
Pension scheme funding reserve	18	-	-
Total funds		<u><u>124,847</u></u>	<u><u>123,089</u></u>

The financial statements were approved and authorised for issue by the Governors on 6 December 2023 and were signed below on its behalf by:



Richard Cassell
Chair of Governors



Harold Hampson
Chair of Finance Committee

The attached notes on pages 25 to 43 form an integral part of these financial statements.

ST PAUL'S SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023	2022
		£'000	£'000
Net cash inflow from operations			
Net cash provided by operating activities	20	4,084	3,799
Cash flows from investing activities			
Payments for tangible fixed assets	9	(7,097)	(4,400)
Proceeds from sale of tangible fixed assets		-	9
Payments for investments	10	(11,688)	(2,226)
Investment income and bank and other interest received		2,018	599
Net cash used in investing activities		(16,767)	(6,018)
Cash flows from financing activities			
New endowments		584	1,500
Repayment of obligations under hire purchase contracts		(20)	(20)
Net cash provided by financing activities		564	1,480
Change in cash and cash equivalents in the reporting period		(12,119)	(739)
Cash and cash equivalents at the beginning of the reporting period		60,660	61,399
Cash and cash equivalents at the end of the reporting period	21	48,541	60,660
Analysis of movements in net cash / (debt)			
		2022	Cash flows
		£'000	£'000
Cash at bank and in hand		60,660	(12,119)
Total cash and cash equivalents		60,660	(12,119)
Hire purchase contracts		(57)	20
Private Placement funding falling due after one year		(50,000)	-
Total		10,603	(12,099)

The attached notes on pages 25 to 43 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

Accounting basis

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

The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") – 2nd Edition effective 1 January 2019. They are drawn up under the historical cost basis of accounting as modified by the revaluation of investments.

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

The School's wholly owned subsidiary, St Paul's School Enterprises Limited, was incorporated on 29 May 2019 with £1 of issued share capital. The company was dormant until 31 August 2021 and commenced trading on 1 September 2021. Consolidated accounts have not been prepared on the grounds that the activity is immaterial to the group. See note 23 for a summary of the company's results for the year ended 31 August 2023 and 2022.

Critical accounting judgements and estimates and key sources of estimation uncertainty

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

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

Depreciation:

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

Pensions:

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

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

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

1. ACCOUNTING POLICIES (continued)

Fees and similar income

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

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

Rental and investment income

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

Donations and legacies and other voluntary income

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

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

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

Expenditure

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

Grants

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

Operating leases

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

Funds

The School has three types of funds:

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

1. ACCOUNTING POLICIES (continued)

Pension schemes

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

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

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

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

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation. The defined benefit scheme is in a surplus position. However, it is not a recoverable amount and therefore has not been recognised in the financial statements in accordance with FRS 102.

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

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

Short term benefits

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

Employee termination benefits

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

Capitalisation and replacement

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

Depreciation

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

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

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

1. ACCOUNTING POLICIES (continued)

Investments

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

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

Financial instruments

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

Stock

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

Debtors

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

Cash and cash equivalents

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

Creditors

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

Provisions for liabilities

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

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

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

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2023	2022
	£'000	£'000
Fees receivable consist of:		
School fees	39,355	37,153
Less: total bursaries, grants and allowances	(3,673)	(3,681)
	<u>35,682</u>	<u>33,472</u>
Add: scholarships, grants, etc. received from restricted funds	3,065	2,925
	<u>38,747</u>	<u>36,397</u>
Included within total bursaries, grants and allowances are means-tested bursaries of £3,205,000 paid to 143 pupils (2022: £3,271,000 paid to 148 pupils). 66% (2022: 79%) of these awards were either full fee or higher than 75% of fees.		
3. CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME	2023	2022
	£'000	£'000
Fee extras (including School trips)	1,559	784
Entrance and registration fees	250	197
Tuck shop sales income	66	60
Commissions and other income	16	32
	<u>1,891</u>	<u>1,073</u>
4. OTHER TRADING - NON-ANCILLARY TRADING INCOME	2023	2022
	£'000	£'000
Hire of School facilities	29	47
Rental income	129	71
	<u>158</u>	<u>118</u>
5. DONATIONS, LEGACIES AND GRANTS	2023	2022
	£'000	£'000
Donations for:		
Bursaries	2,330	3,214
Prizes and other awards	3	-
Rebuilding fund	2	2
Other	652	251
	<u>2,987</u>	<u>3,467</u>
Legacies	498	145
	<u>3,485</u>	<u>3,612</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

6. STAFF COSTS	2023 £'000	2022 £'000
The aggregate payroll costs for the year were as follows:		
Wages and salaries	19,024	17,689
Social security costs	2,304	2,179
Pension costs:		
Defined contribution scheme	389	350
Defined benefit scheme	184	173
Teachers' Pension Scheme	2,873	2,766
Medical insurance	115	109
Consultancy costs	176	170
Contract staff costs	802	790
Recruitment costs	120	137
Other	29	25
	<u>26,016</u>	<u>24,388</u>

None of the Governors received any remuneration or other benefits (2022: none).

Aggregate employee benefits of key management personnel	1,012	1,034
	<u>2023 Number</u>	<u>2022 Number</u>

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

£60,000 - £69,999	34	44
£70,000 - £79,999	55	54
£80,000 - £89,999	32	19
£90,000 - £99,999	8	6
£100,000 - £109,999	3	2
£120,000 - £129,999	3	2
£130,000 - £139,999	1	1
£140,000 - £149,999	1	1
£150,000 - £159,999	-	1
£190,000 - £199,999	1	1
£200,000 - £209,999	1	-
£290,000 - £299,999	-	1
£330,000 - £339,999	1	-
	<u>1</u>	<u>-</u>

Of the above staff members 131 (2022: 126) have benefits accruing under defined benefit pension schemes and eight (2022: four) have benefits accruing under the defined contribution scheme. Employer's contributions for the defined benefit schemes were £2,365,559 (2022: £2,204,197) and for the defined contribution scheme were £44,168 (2022: £25,020).

The average number of the School's employees during the year calculated on a full time equivalent basis was 310 (2022: 308) and on a head count basis was 373 (2022: 383).

Full time equivalent basis	2023 Number	2022 Number
Teaching	202	199
Welfare	6	5
Premises	30	30
Support	64	62
Other	8	12
	<u>310</u>	<u>308</u>

6. STAFF COSTS (continued)

Head count basis	2023 Number	2022 Number
Teaching	237	231
Welfare	9	8
Premises	36	36
Support	82	92
Other	9	16
	<u>373</u>	<u>383</u>

7. ANALYSIS OF TOTAL EXPENDITURE

2023	Staff costs £'000	Other £'000	Depreciation £'000	Total 2023 £'000
Costs of raising funds				
Financing costs (note 8)	-	1,472	-	1,472
Investment management	-	96	-	96
Fundraising and development	218	134	-	352
Marketing and publicity	463	206	-	669
	<u>681</u>	<u>1,908</u>	<u>-</u>	<u>2,589</u>
Charitable activities				
Education	20,001	3,786	462	24,249
Welfare	370	1,981	27	2,378
Premises	2,168	3,347	3,001	8,516
Support costs and governance	2,796	425	-	3,221
Grants, awards and prizes	-	3,231	-	3,231
	<u>25,335</u>	<u>12,770</u>	<u>3,490</u>	<u>41,595</u>
Total expenditure	<u>26,016</u>	<u>14,678</u>	<u>3,490</u>	<u>44,184</u>
2022	Staff costs £'000	Other £'000	Depreciation £'000	Total 2022 £'000
Costs of raising funds				
Financing costs (note 8)	26	1,501	-	1,527
Investment management	-	45	-	45
Fundraising and development	321	48	-	369
Marketing and publicity	368	160	-	528
	<u>715</u>	<u>1,754</u>	<u>-</u>	<u>2,469</u>
Charitable activities				
Education	18,926	2,686	563	22,175
Welfare	303	1,753	11	2,067
Premises	2,061	2,054	2,921	7,036
Support costs and governance	2,383	354	-	2,737
Grants, awards and prizes	-	3,107	-	3,107
	<u>23,673</u>	<u>9,954</u>	<u>3,495</u>	<u>37,122</u>
Total expenditure	<u>24,388</u>	<u>11,708</u>	<u>3,495</u>	<u>39,591</u>

7. ANALYSIS OF TOTAL EXPENDITURE (continued)

Governance costs included in support costs:	2023 £'000	2022 £'000
Auditor's remuneration:		
For audit	40	36
For corporation tax	3	3
For employment tax advice	1	-
Staff costs	62	57
Legal and professional fees	257	204
Other	13	26
	<u>376</u>	<u>326</u>

The School has obtained permission from the Charity Commission to offer a scheme of redress in respect of the historic abuse allegations and ex-gratia payments totalling £1,036 were made during the year ended 31 August 2023 (2022: £Nil). See note 14 for further information.

Two Governors (2022: three) were reimbursed travel, accommodation and other expenses amounting to £242 during the year (2022: £982). Amounts paid directly to third parties on behalf of Governors during the year amounted to £12,756 (2022: £24,641). These expenses consisted of training costs, subscriptions, legal fees, catering costs for Board and sub-committee meetings, costs associated with the Governors' away day and entertainment costs on School business.

GRANTS, AWARDS AND PRIZES	2023 £'000	2022 £'000
From restricted and endowed funds		
Bursaries and other awards	3,120	2,983
Prizes and leaving awards	111	124
	<u>3,231</u>	<u>3,107</u>

8. FINANCING COSTS

	2023 £'000	2022 £'000
Private placement financing costs	1,458	1,458
Hire purchase interest	4	4
Net finance costs of defined benefit pension scheme	-	26
Provision for bad debts	10	39
	<u>1,472</u>	<u>1,527</u>

9. TANGIBLE ASSETS	Assets held under construction £'000	Charitable properties £'000	Furniture fittings & Equipment £'000	Vehicles and Boats £'000	Total £'000
Cost					
At 1 September 2022	5,839	120,611	5,163	786	132,399
Additions	5,709	695	637	56	7,097
Disposals	-	(1,654)	(218)	-	(1,872)
Transfers	(5,142)	4,898	244	-	-
At 31 August 2023	6,406	124,550	5,826	842	137,624
Depreciation					
At 1 September 2022	-	17,310	4,139	717	22,166
Charge for the year	-	2,905	548	37	3,490
Disposals	-	(753)	(217)	-	(970)
At 31 August 2023	-	19,462	4,470	754	24,686
Net book value					
At 31 August 2023	6,406	105,088	1,356	88	112,938
At 31 August 2022	5,839	103,301	1,024	69	110,233

As at 31 August 2023, the School has capital commitments of £1,051,311 (2022: £2,093,264) in relation to the School's rebuilding programme. The net book value of assets held under hire purchase contracts was £Nil (2022: £36,927). The depreciation charge for the year was £36,927 (2021: £40,284).

10. INVESTMENTS	2023 £'000	2022 £'000
Listed investments:		
Valuation at 1 September 2022	9,931	8,544
Additions at cost	11,688	2,226
Net gains / (losses) on investments	255	(839)
Valuation at 31 August 2023	21,874	9,931
Total investments at 31 August 2023	21,874	9,931
Investments comprise:		
Listed investments		
Equities	17,355	8,067
Bonds	1,865	463
Pooled investment vehicles	1,544	749
Cash holdings	1,110	652
Total investments at 31 August 2023	21,874	9,931
Cost of investments	20,759	9,071

Of the total investments of £21,874,000 (2022: £9,931,000), £8,355,000 (2022: £3,609,000) are held in the UK and £13,519,000 (2022: £6,322,000) are held overseas.

The School also has a £1 investment (2022: £1) in its subsidiary undertaking, St Paul's School Enterprises Limited, which was incorporated on 29 May 2019. The company commenced trading on 1 September 2021 and its results for the year ended 31 August 2023 and 2022 are shown in note 23.

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

11. DEBTORS	2023 £'000	2022 £'000
Fees	7	-
Amounts owed by group undertakings	144	75
Sundry debtors	307	321
Prepayments and accrued income	1,702	1,075
	<u>2,160</u>	<u>1,471</u>
12. CREDITORS: due within one year	2023 £'000	2022 £'000
Trade creditors	993	1,267
Fees received in advance	1,513	1,129
Refundable deposits (note 15)	543	569
Hire purchase contracts (note 15)	20	20
Other taxes and social security costs	622	14
Other creditors	340	340
Accruals and deferred income	2,815	2,112
	<u>6,846</u>	<u>5,451</u>
Deferred income brought forward as at 1 September 2022 was £174,000 (2021: £159,000) and carried forward as at 31 August 2023 was £195,000 (2022: £174,000). This mostly related to advance School bus income received. The amount released to the Statement of Financial Activities in the year was £174,000 (2022: £159,000).		
13. CREDITORS: amounts falling due after more than one year	2023 £'000	2022 £'000
Fees received in advance	37	102
Refundable deposits (note 15)	3,797	3,644
Hire purchase contracts (note 15)	17	37
Private Placement funding	50,000	50,000
	<u>53,851</u>	<u>53,783</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2023 £'000	2022 £'000
As at 1 September 2022	66	100
Amounts utilised	(1)	(34)
As at 31 August 2023	65	66

Provisions for liabilities and charges of £65,000 as at 31 August 2023 (2022: £66,000) relates to the best estimate of legal costs to be incurred subsequent to the year-end in respect of the historic abuse allegations.

15. REFUNDABLE DEPOSITS AND HIRE PURCHASE CONTRACTS

	Refundable deposits		Hire purchase contracts	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
After 5 years	1,669	1,631	-	-
Between 2 to 5 years	1,573	1,539	-	17
Between 1 to 2 years	555	474	17	20
After more than 1 year	3,797	3,644	17	37
Within 1 year	543	569	20	20
	4,340	4,213	37	57

16. OPERATING LEASE COMMITMENTS

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

	2023 £'000	2022 £'000
As Lessee:		
Less than 1 year		
Photocopiers	36	48
Franking machines	20	20
Computers	26	37
Minibuses	8	-
Land and buildings	1	1
Between 1 and 2 years		
Photocopiers	-	36
Franking machines	10	20
Computers	10	16
Minibuses	8	-
Land and buildings	1	1
Between 2 and 5 years		
Franking machines	-	10
Minibuses	24	-
Land and buildings	3	3
Over 5 years		
Land and buildings	754	755
	901	947

16. OPERATING LEASE COMMITMENTS
(continued)

	2023 £'000	2022 £'000
As Lessor:		
Less than 1 year		
Land and buildings	102	96
Between 1 and 2 years		
Land and buildings	44	-
Between 2 and 5 years		
Land and buildings	44	-
	<u>190</u>	<u>96</u>
Amounts charged / (credited) to Statement of Financial Activities:		
Photocopiers	48	48
Franking machines	20	20
Computers	37	30
Land and buildings - expenditure	1	1
Land and buildings – income	(111)	(69)
	<u>(111)</u>	<u>(69)</u>

17. ANALYSIS OF NET ASSETS

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

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long term liabilities, provisions & pension deficit £'000	Total £'000
2023					
Endowment funds	-	5,194	99	-	5,293
Restricted funds	-	5,677	977	-	6,654
Unrestricted funds	112,938	11,003	42,875	(53,916)	112,900
	<u>112,938</u>	<u>21,874</u>	<u>43,951</u>	<u>(53,916)</u>	<u>124,847</u>
2022					
Endowment funds	-	4,600	14	-	4,614
Restricted funds	-	5,331	1,617	-	6,948
Unrestricted funds	110,233	-	55,143	(53,849)	111,527
	<u>110,233</u>	<u>9,931</u>	<u>56,774</u>	<u>(53,849)</u>	<u>123,089</u>

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

18. FUNDS	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & Other Gains / (Losses) £'000	Balance 31 August 2023 £'000
Endowed funds					
Scholarship funds	524	-	-	29	553
Bursary funds	3,738	584	-	75	4,397
Prize funds	352	-	-	(9)	343
	<u>4,614</u>	<u>584</u>	<u>-</u>	<u>95</u>	<u>5,293</u>
Restricted funds					
Bursaries	3,416	2,403	(3,120)	2	2,701
Scholarships	137	11	(6)	7	149
Prizes and other funds	1,726	477	(105)	37	2,135
Rebuilding fund	1,669	2	-	(2)	1,669
	<u>6,948</u>	<u>2,893</u>	<u>(3,231)</u>	<u>44</u>	<u>6,654</u>
Unrestricted funds					
General reserve	109,977	42,658	(41,535)	(13,981)	97,119
Pension scheme funding reserve	-	17	612	(629)	-
Bursaries and partnerships fund	-	149	(27)	12,485	12,607
Future estate capital fund	1,550	15	(3)	1,612	3,174
	<u>111,527</u>	<u>42,839</u>	<u>(40,953)</u>	<u>(513)</u>	<u>112,900</u>
Total funds	<u>123,089</u>	<u>46,316</u>	<u>(44,184)</u>	<u>(374)</u>	<u>124,847</u>
COMPARATIVE FIGURES	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other Gains / (Losses) £'000	Balance 31 August 2022 £'000
Endowed funds					
Scholarship funds	546	-	-	(22)	524
Bursary funds	2,551	1,500	-	(313)	3,738
Prize funds	399	-	-	(47)	352
	<u>3,496</u>	<u>1,500</u>	<u>-</u>	<u>(382)</u>	<u>4,614</u>
Restricted funds					
Bursaries	4,940	1,879	(2,983)	(420)	3,416
Scholarships	138	8	(4)	(5)	137
Prizes and other funds	1,649	230	(120)	(33)	1,726
Rebuilding fund	1,669	2	-	(2)	1,669
	<u>8,396</u>	<u>2,119</u>	<u>(3,107)</u>	<u>(460)</u>	<u>6,948</u>
Unrestricted funds					
General reserve	110,444	38,186	(37,106)	(1,547)	109,977
Pension scheme funding reserve	(1,954)	-	622	1,332	-
Future estate capital fund	-	-	-	1,550	1,550
	<u>108,490</u>	<u>38,186</u>	<u>(36,484)</u>	<u>1,335</u>	<u>111,527</u>
Total funds	<u>120,382</u>	<u>41,805</u>	<u>(39,591)</u>	<u>493</u>	<u>123,089</u>

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

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

Restricted funds

The bursary and scholarship funds represent accumulated income on various restricted and endowed gifts intended to fund bursaries and scholarships for pupils. Prize funds are for the costs associated with awarding the various prizes. The rebuilding fund was created for building programmes. The transfer from the rebuilding fund to the unrestricted general reserve of £2,000 (2022: £2,000) relates to the use of restricted donations towards the capital expenditure on buildings during the year.

Unrestricted funds

The bursaries and partnerships fund represents funds designated towards bursary awards and partnership work. The Kayton legacy proceeds of £9,206,000 were transferred to the fund together with amounts totalling £180,000 paid to the School under gift aid from St Paul's School Enterprises Limited and the School's remaining cash surplus for the year ended 31 August 2022 of £2,988,000. The future estate capital fund represents contributions transferred out of the School's cash surpluses towards the long term provision of capital to allow the replacement and refurbishment of buildings and fabric of the School estate in the long term if needed. During the year ended 31 August 2023, a further contribution of £1,610,000 (2022: £1,550,000) was made.

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

The School makes contributions to the St Paul's Schools Non-Teaching Staff Pension Fund, a defined benefit scheme in the UK. Since 1 November 2006, the scheme has been closed to new members and closed to future accrual on 1 January 2016. Contributions (including the expense allowance) for the year ended 31 August 2024 are expected to be £789,000. The disclosures shown below adopt the accounting standard FRS 102.

A full actuarial valuation of the scheme was carried out as at 31 August 2020 and has been updated to 31 August 2023 by a qualified independent actuary. The next full actuarial valuation is due as at 31 August 2023. The major assumptions used by the actuary were (in nominal terms) as follows:

	2023 %	2022 %
Discount rate	5.30	4.20
Inflation assumption (RPI)	3.30	3.40
Inflation assumption (CPI)	3.00	3.10
Rate of increase in salaries	3.00	3.10
5% LPI pension increase assumption	3.00	3.10
2.5% LPI pension increase assumption	2.30	2.30

Assumed life expectancies on retirement at age 60 are:

Retiring today	Males	24.5	25.1
	Females	28.4	29.1
Retiring in 20 years' time	Males	25.7	26.3
	Females	29.6	30.3

19. PENSIONS (continued)

The assets in the scheme and their values were:

	2023 £'000	2022 £'000
Equities	-	6,023
Liability driven investments	9,982	-
Cash and other assets	135	141
Secured pensions	103	157
Absolute return fund	959	5,541
Fair value of scheme assets	<u>11,179</u>	<u>11,862</u>

The actual return on assets over the period was

<u>(789)</u>	<u>(1,717)</u>
--------------	----------------

The amounts recognised in the balance sheet are as follows:

	2023 £'000	2022 £'000
Present value of obligations	(10,407)	(11,772)
Fair value of scheme assets	<u>11,179</u>	<u>11,862</u>
Surplus in funded scheme	772	90
Adjustment for unrecognised asset	<u>(772)</u>	<u>(90)</u>
Net surplus in scheme	<u>-</u>	<u>-</u>

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

	2023 £'000	2022 £'000
Benefit obligation at beginning of year	11,772	15,400
Interest cost	483	242
Actuarial gains	(1,342)	(3,355)
Benefits paid (excluding expenses)	<u>(506)</u>	<u>(515)</u>
Benefit obligation at end of year	<u>10,407</u>	<u>11,772</u>

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

	2023 £'000	2022 £'000
Fair value of scheme assets at beginning of year	11,862	13,446
Interest income on scheme assets	500	216
Return on assets (excluding interest income)	(1,289)	(1,933)
Contributions by employers	789	789
Benefits paid (excluding expenses)	(506)	(515)
Scheme administrative cost (i.e. expenses paid)	<u>(177)</u>	<u>(141)</u>
Fair value of scheme assets at end of year	<u>11,179</u>	<u>11,862</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

19. PENSIONS (continued)

	2023	2022
	£'000	£'000
Amounts recognised in the Statement of Financial Activities		
Service cost – administrative cost (i.e. expenses paid)	177	141
Net interest on the net defined benefit liability	(17)	26
	<u>160</u>	<u>167</u>
	2023	2022
	£'000	£'000
Remeasurements of the net defined benefit liability to be shown in SOFA		
Actuarial gains on the liabilities	(1,342)	(3,355)
Return on assets (excluding interest income)	1,289	1,933
Surplus on scheme that is not recoverable	682	90
	<u>629</u>	<u>(1,332)</u>

The surplus linked to the defined benefit scheme is not a recoverable amount and therefore has not been recognised in the financial statements in accordance with FRS 102.

Information about the type of scheme and funding policy

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

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

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

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

The most recently completed formal actuarial valuation of the scheme was at 31 August 2020. This showed that on that date, the value of the technical provisions was £23.560m and the value of the assets was £17.542m, giving rise to a deficit of £6.018m.

The value of the liabilities has been estimated by updating the results of the actuarial valuation as at 31 August 2020 to allow for the passage of time, actual inflation experience, benefits paid out of the scheme and changes in actuarial assumptions over the period from 31 August 2020 to 31 August 2023.

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

The next formal actuarial valuation of the scheme is due as at 31 August 2023.

b) Teaching Staff Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,873,000 (2022: £2,766,000) and at the year-end £Nil (2022: £Nil) was accrued in respect of contributions to this scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

19. PENSIONS (continued)

b) Teaching Staff Pension Scheme (continued)

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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can elect to receive them from either the reformed or legacy schemes from 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation, have valued the 'greater value' benefits for groups of relevant members.

The Department for Education has announced that, with effect from 1 April 2024, the TPS employer contribution rate will increase from 23.6% to 28.6%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

c) Defined Contribution Pension Scheme

The School pays into a defined contribution scheme for non-teaching staff. The superannuation charge represents the School's contributions to the scheme of £389,000 (2022: £350,000). There were no contributions outstanding at the year-end (2022: £Nil).

20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Net income	2,387	1,375
Elimination of non-operating cash flows:		
Dividend income	(375)	(159)
Interest receivable	(1,643)	(440)
Endowment donations	(584)	(1,500)
Defined benefit pension scheme adjustments	(629)	(622)
Depreciation charge	3,490	3,495
(Gains)/losses on investments	(255)	839
Losses/(surpluses) on disposal of tangible fixed assets	902	(6)
Increase in stock	(2)	-
Increase in debtors	(689)	(394)
Increase in creditors (excluding hire purchase and refundable deposits)	1,356	1,049
Decrease in provisions	(1)	(34)
Increase in refundable deposits	127	196
Net cash inflow from operations	4,084	3,799

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash in hand and instant access bank accounts	2,237	8,312
Notice and fixed term deposit accounts	46,304	52,348
	48,541	60,660

ST PAUL'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

22. RELATED PARTY TRANSACTIONS

The following transactions occurred during the year with related parties:

The School paid rent of £1,000 (2022: £1,000) to St Paul's Schools Foundation during the year.

Donations received from Governors without conditions during the year ended 31 August 2023 totalled £35,773 (2022: £27,470).

Veryan Exelby is a Governor of the School. She is a partner at Farrer & Co who provide legal services to the School. For the year ended 31 August 2023, total legal fees incurred for services provided by Farrer & Co were £31,382 (2022: £29,545). As at 31 August 2023, the amount due to Farrer & Co was £750 (2022: £3,925).

During the year ended 31 August 2022, a donation of £750 (2023: £Nil) was made to a school affiliated to the Mercers' Company in support of a fundraising campaign.

St Paul's School Enterprises Limited is a wholly owned subsidiary undertaking of the School. The Directors of the company include Harold Hampson and Rupert Tate who are Governors of the School. During the year ended 31 August 2023, total costs of £87,115 (2022: £64,205) were charged by the School to the company under the Shared Resources Agreement between the two entities. These costs represented licence fees, a share of overhead costs (utilities, cleaning, security, telephone etc.) and salary costs. There were also further costs of £56,517 (2022: £10,579) paid by the School on behalf of the company. The balance due from the company to the School as at 31 August 2023 was £143,632 (2022: £74,783).

There are no other related party transactions for the years ended 31 August 2023 or 2022.

23. SUBSIDIARY UNDERTAKING

St Paul's School Enterprises Limited is a wholly owned subsidiary undertaking of St Paul's School and is registered in England and Wales. The results of the company for the year ended 31 August 2023 were as follows:

	2023 £'000	2022 £'000
Turnover from continuing operations	299	153
Direct costs	(159)	(71)
	<u>140</u>	<u>82</u>
Administrative expenses	(5)	(2)
Operating profit	<u>135</u>	<u>80</u>
Gift aid payable to St Paul's School	(180)	-
	<u>(45)</u>	<u>80</u>
Profit brought forward	80	-
Retained in the subsidiary	<u>35</u>	<u>80</u>

At 31 August 2023 the company had net assets of £35,000 (2022: £80,000).

St Paul's School Enterprises Limited is a company limited by share capital registered in England, company number 12021201.

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

	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total funds £'000
Income and endowments from:				
Charitable activities				
School fees receivable	36,397	-	-	36,397
Ancillary trading income	1,073	-	-	1,073
Other trading activities				
Non-ancillary trading income	118	-	-	118
Investments				
Investment income	-	159	-	159
Bank and other interest	440	-	-	440
Voluntary sources				
Donations and legacies	152	1,960	1,500	3,612
Other income:				
Surplus on disposal of fixed assets	6	-	-	6
Total income	38,186	2,119	1,500	41,805
Expenditure on:				
Raising funds				
Financing costs	1,527	-	-	1,527
Investment management	45	-	-	45
Fundraising and development	369	-	-	369
Marketing and publicity	528	-	-	528
	2,469	-	-	2,469
Charitable activities				
Education and grant making	34,015	3,107	-	37,122
Total expenditure	36,484	3,107	-	39,591
Net income / (expenditure) from operations before investment (losses) / gains and transfers	1,702	(988)	1,500	2,214
Net losses on investments	-	(457)	(382)	(839)
Transfers between funds	3	(3)	-	-
Net income / (expenditure)	1,705	(1,448)	1,118	1,375
Other recognised losses				
Pension scheme actuarial gains	1,332	-	-	1,332
Net movement in funds	3,037	(1,448)	1,118	2,707
Fund balances at 1 September 2021	108,490	8,396	3,496	120,382
Fund balances at 31 August 2022	111,527	6,948	4,614	123,089

