

**The St Marylebone
Church of England
School**

**Annual Report and Consolidated
Financial Statements**

31 August 2020

Company Limited by Guarantee
Registration Number
07719620 (England and Wales)

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Reference and administrative information

Members	Reverend Stephen Evans (as Rector) Ms Frances Endres (as Churchwarden) Mrs B Elise Omerod (as Churchwarden) Mr Emy Onah (as Churchwarden) London Diocesan Board for Schools
Governors	Mrs Eliza Low (Chairman) Mrs Clare Alexander Ms Carys Ampofo Mr Nick Barber Ms Harriet Capon Ms Frances Endres Reverend Canon Stephen Evans Mrs Sarah Hume Ms Sharon Julien Mr Richard Lake Mr Steven Larcombe Ms Amy-Jo Lynch Ms Alla Murphy Ms Sara Payne Ms Kathryn Pugh (Headteacher) Ms Emma Rea Dr Paola Subacchi Mrs Jo Sumpter Ms Kirsteen Walker Mr Alistair Fraser Watson
Company Secretary	Mrs Martha Blackwell
Executive Group	
Headteacher	Ms Kathryn Pugh
Deputy Headteachers	Mr Peter Jordan, Ms Sarah Swan and Ms Jenny Laurie
Director of Finance and Administration	Mr John McDonald
Registered address	64 Marylebone High Street London W1U 5BA
Company registration number	07719620 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers HSBC Bank plc
90 Baker Street
London
W1U 6AX

Governors' report (including the strategic report) Year ended 31 August 2020

The Governors of The St Marylebone Church of England School ('the Academy Trust') present their statutory report together with the consolidated financial statements of the Academy Trust and its subsidiary company for the year ended 31 August 2020. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 39 to 44 of the attached financial statements and comply with the Academy Trust's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The entities listed below are included within the consolidated financial statements since they are all ultimately controlled by the Governors of The St Marylebone Church of England School:

- ◆ The St Marylebone Church of England School, an Academy Trust whose principal activities and objectives are listed below;
- ◆ The St Marylebone Church of England Bridge School, a subsidiary Academy Trust operating a Special Free School for pupils with speech, language and communication needs.

Each Academy Trust is a Single Academy Trust and each has its own Funding Agreement with the Department for Education.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors act as the trustees for the charitable activities of The St Marylebone Church of England School and are also the directors of the Academy Trust for the purposes of company law. The Academy Trust is known as The St Marylebone Church of England School.

The St Marylebone Church of England School converted to academy status on 1 September 2011.

Members' liability

Each member of the Academy Trust undertakes to contribute to the assets of the Academy Trust in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors' indemnities

Subject to the provisions of the Companies Act 2006, every Governor or other officer of the Academy Trust is indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Principal activities

The Academy Trust's principal activity during the period was the provision of a school, rated outstanding by Ofsted, with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England. As a charitable company, fundraising activities take place in the furtherance of this activity. As a National Teaching School, the Academy Trust, through an alliance with twenty other schools, leads on improvements in leadership, professional development, peer review and research and development within the teaching profession.

Governors' report (including the strategic report) Year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The Governors are directors of the Academy Trust for the purposes of the Companies Act 2006. The following Governors served during the period as shown.

Governor	Appointed/(Resigned)	Appointing body
Mrs Eliza Low (Chairman) (F)		Diocesan Bishop
Mrs Clare Alexander (F)		Parochial Church Council
Ms Carys Ampofo		Parents
Mr Nick Barber (F)		Area Dean
Ms Harriet Capon (F)		LDBS
Mr James Colenutt	4 February 2020 (17 July 2020)	Teaching Staff
Ms Frances Endres (F)		Deanery Synod
Reverend Canon Stephen Evans (F)		Ex-officio
Ms Kathryn Hardy	(4 February 2020)	Teaching Staff
Mrs Sarah Hume (F)		LDBS
Ms S Julien	1 December 2019	Parents
Mr Richard Lake		Teaching Staff
Mr Steven Larcombe (F)		Members
Ms Amy-Jo Lynch		Members (Local Community Governor)
Ms Charlotte McCool	(1 December 2019)	Support Staff
Ms Alla Murphy (F)		Deanery Synod
Ms Sara Payne		Parents
Ms Kathryn Pugh (Headteacher)		Ex-officio
Ms Emma Rea		Co-opted
Dr Paola Subacchi		Westminster City Council
Mrs Jo Sumpter (F)		Rector & Churchwardens
Ms Clare Thompson	(1 December 2019)	Parents
Ms Kirsteen Walker (F)		Parochial Church Council
Mr Alistair Watson (F)		LDBS

Key:

(F) – Foundation Governor

There are currently two Governor vacancies: one Support Staff and one Teaching Staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Governors

The Members appoint not less than 12 Foundation Governors by seeking nominations as follows:

- ◆ 3 from the Diocesan Board of Education;
- ◆ 2 from the Deanery Synod;
- ◆ 2 from the Parochial Church Council;
- ◆ 1 from the Diocesan Bishop;
- ◆ 1 from the Rector and Churchwardens of St Marylebone Parish Church; and
- ◆ 1 from the Area Dean.

In the absence of any nomination, or suitable nomination, the Members may appoint as a Foundation Governor any person they consider suitable. At least four of the Foundation Governors shall, at the time of their appointment, be eligible for appointment as a Parent Governor. In addition, the Rector must be a Foundation Governor *ex officio* and the Members must appoint at least one other Foundation Governor.

The Governors may appoint up to three Staff Governors through such process as they may determine. The Local Authority may appoint a Local Authority Governor. The Members may appoint the Local Community Governors. The Headteacher is treated as being an *ex officio* Governor.

The Parent Governors are elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected. The Board of Governors makes all necessary arrangements for, and determines all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot. The arrangements made for the election of a Parent Governor provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he/she prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy. Where a vacancy for a Parent Governor is required to be filled by election, the Board of Governors will take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Governors required is made up by Parent Governors appointed by the Board of Governors if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Board of Governors will appoint a person who is a parent of a registered pupil at the Academy or, where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of Governors (continued)

The Staff Governors are elected by a secret ballot of staff employed under a contract of employment (excluding the Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate are determined by the Governors. If a Staff Governor ceases to work at the Academy then he/she shall be deemed to have resigned and will cease to be a Governor automatically on termination of his/her work at the Academy. Any election of a Staff Governor which is contested shall be held by secret ballot of the staff. Two of the Staff Governors must be Teachers elected by the teaching staff and one Staff Governor must be a member of the support staff elected by the support staff.

The Foundation Governors, with the consent of the Rector and Churchwardens of St Marylebone Parish Church acting collectively, may appoint up to two co-opted Governors for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. A co-opted Governor is a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Headteacher).

The term of office for any Governor (other than co-opted Governors) shall be four years. This time limit does not apply to the Headteacher or the Rector. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Governors

The Clerk to the Governors meets with all new Governors to discuss their roles and responsibilities and a meeting is arranged with the Chairman and Headteacher. The following documents are provided and discussed:

Academy documents

- ◆ Academia (Comprehensive annual calendar issued by the Academy which includes a list of staff, structure and departments and key policies)
- ◆ Schedule of Governors' Meetings
- ◆ List of Governors
- ◆ Governors' contact details
- ◆ List of membership of Governors' Committees
- ◆ Governors' Expense Policy
- ◆ Academy Development Plan
- ◆ Copies of Ofsted letters and reports
- ◆ Academy Prospectus

Governors' report (including the strategic report) Year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Governors (continued)

Academy documents (continued)

- ◆ Minutes of recent meetings
- ◆ Academy's Admissions Policy
- ◆ Register of Business Interests form
- ◆ Disqualification Declaration form

National Governors' Association documents

- ◆ Welcome to Governance

Westminster Council documents

- ◆ Westminster Governors' Training Schedule
- ◆ List of useful acronyms and abbreviations

LDBS documents

- ◆ LDBS Training Schedule

DfE documents

- ◆ A Guide to the Law for School Governors

All Governors are encouraged to participate in training. Recent courses attended included the following:

- ◆ Mental Health and First Aid Course
- ◆ Health and Safety
- ◆ Fire Marshalling and Evacuation
- ◆ Safer Recruitment Training
- ◆ Safeguarding Children in Education
- ◆ New Governor Induction
- ◆ Race and Racism

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The business of the Academy Trust is managed by the Board of Governors who may exercise all the powers of the Academy Trust. The Board delegates certain powers, as set out within respective Terms of Reference, to the following four dedicated committees:

- ◆ Finance and Premises Committee.
- ◆ Staffing and Management Committee.
- ◆ Curriculum and Pupils Committee.
- ◆ Audit and Risk Committee.

The Executive Group within the Academy comprises the Headteacher, three Deputy Headteachers and the Director of Finance and Administration. These leaders control the Academy at an executive level, implementing the policies laid down by the Board of Governors and reporting back to them.

The Executive Group is assisted by the Senior Leadership Team which comprises the Executive Group plus six other senior leadership teachers.

The Board of Governors is responsible for establishing the ethos and character of the Academy, setting general policy, adopting an annual development plan and budget, monitoring the Academy by the use of budgets, management accounts and performance indicators, and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy Trust during the year were the Governors and the Executive Group as listed on page 1. Governors receive no remuneration unless they are also employees of the Academy Trust, in which case their remuneration relates solely to their duties as employee whilst working on the business of the Academy Trust. The remuneration of these Governors and members of the Senior Leadership Team are determined by the Academy Trust's Pay Committee. In making such determinations, there is consideration of the Pay Policy, available benchmark and market data, and recommendations made under the School Teachers Pay & Conditions Document (STPCD) and from the National Joint Council for Local Government Services (NJC).

Trade union facility time

During the year there were no employees acting as relevant union officials.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The Board of Governors has assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, facilities, finances, COVID-19 and other operational areas. Systems are in place to control these risks and to mitigate any potential impact. The Audit Committee assists in respect of financial risks, and a detailed risk register has been developed and internal controls implemented. Safeguarding of pupils and health and safety are taken particularly seriously with the Board of Governors ensuring that there is an extensive network of support and pastoral care, and a vigorous vetting procedure for all staff, contractors and visitors.

Connected organisations, including related party relationships

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, there is a possibility that transactions will take place with organisations in which a member of the Board of Governors may have an interest. This is generally avoided but any transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. Such transactions during the period include:

The St Marylebone Parish Church employed a Chaplain whose time is shared between the Church and the Academy as the School Chaplain. The Academy Trust paid £35,549, being 50% of the actual cost of employment to The St Marylebone Parish Church.

As a Church of England designated Academy, The London Diocesan Board for Schools (LDBS) has a close association with the Academy and is a Member of it. LDBS provides a significant level of support for which the Governors are extremely grateful. During the year the Academy Trust paid LDBS £9,735 (2019 – £9,404) for support services.

The Academy is also affiliated to the Woodard Corporation, a faith based organisation comprising Woodard Schools and Academies operated by them, and their independent but affiliated and associated partners.

Having been awarded National Teaching School status by the National College for School Leadership, the Academy leads the St Marylebone Teaching School Alliance with thirteen other schools currently comprising:

- ◆ St Augustine's C.E. High School.
- ◆ Westminster Academy.
- ◆ Capital City Academy.
- ◆ College Park School (Westminster Special Schools including QEII Jubilee School).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships (continued)

- ◆ St Vincent's RC Primary School.
- ◆ Christ Church Bentinck C of E Primary School.
- ◆ The Cavendish School (Camden).
- ◆ The St Marylebone Church of England Bridge School.
- ◆ Marylebone Boys' School.
- ◆ St Dominic's Sixth Form College.
- ◆ St Mary and St John's CE School (Hendon).
- ◆ The Green School (Girls and Boys – two schools).
- ◆ Sir Simon Milton Westminster University Technical College.

The alliance works to train new entrants to the teaching profession, lead peer-to-peer professional development, identify and develop leadership in schools, provide school to school support, designate and broker Specialist Leaders in Education (SLEs) and participate in research and development activities.

OBJECTIVES AND ACTIVITIES

Object and aims

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and, in particular, in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement), and in having regard to the advice of the Diocesan Board of Education.

The Academy Trust's aims are:

- ◆ *The pursuit of excellence: excellence in our academic and cultural achievements, excellence in our social and community life and excellence in our spiritual search.*
- ◆ *The provision of a high quality education for pupils of all abilities, backgrounds and ethnicities in a supportive environment that is caring, orderly and stimulating.*

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

The Academy Trust's Mission Statement

The St. Marylebone School, a Church of England Foundation, aims to achieve the highest standards of effort, behaviour and commitment so that all pupils may realise their full potential. The Academy seeks to inspire a love of learning and a genuine respect for all members of its multi-cultural multi-faith community. As a church school, the Academy nurtures respect for religious, moral and spiritual values. The Academy acknowledges its special responsibility in the education of girls so that they can take a full part in society.

The Academy Trust aims to help and enable pupils to:

- ◆ develop lively, enquiring minds and the ability to question and argue rationally;
- ◆ acquire knowledge and skills relevant to adult life and employment in a fast changing world;
- ◆ develop a full range of skills to meet a variety of challenges with resilience;
- ◆ appreciate human achievements and aspirations;
- ◆ understand the interdependence of individuals, groups and nations;
- ◆ gain self confidence and a sense of worth;
- ◆ learn how to work responsibly and independently, with consideration for others.

Courtesy, helping others, full attendance, punctuality, and smart uniform are all the hallmarks of the Academy's ethos.

The fulfilment of these aims creates a well-ordered community, with high standards and a caring approach, which recognises that the purpose of the Academy is to equip pupils with the skills they will require as balanced, mature and fulfilled individuals in our society.

Whole School Targets for academic year 2019/20

1. Meet the Governors' targets for KS4 and KS5 examination performance; ensure targets are data-informed, challenging and realistic.
2. Ensure the curricular and extra-curricular offers are rich, ambitious, relevant and that their intent, implementation and impact meet the needs and enable the learning, progress and creativity of our students.
3. Pursue excellence in teaching, including assessment and effective feedback, informed and enhanced by collaborative action research, CPD, student voice and the work of the Teaching School.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Whole School Targets for academic year 2019/20 (continued)

4. Sustain high-quality pastoral and safeguarding provision which actively anticipates and responds to students' needs, characterised by compassion and consistency; ensure everyone plays their part in upholding this responsibility.

5. With the new Teaching School team in place, relaunch our Teaching School offer; gain greater commitment to the Alliance; deliver a wider offer in ITT, school-to-school support, Maths Hub and CPD that responds to in-house Teaching and Learning and Alliance needs; all ensuring externally-set targets are met.

6. Finance, administration and premises: ensure that the role of each non-classroom team member optimises the support of curriculum planning and delivery, enrichment, pastoral and safeguarding, fundraising and school environment improvement, all within the budgetary constraints of the five-year plan.

Specialist College Mission Statement

'Excellence through Specialism' - As a high performing specialist school, we have three areas of specialism: Performing Arts, Maths and Computing, and SEN (Communication and Interaction). We aim to provide educational opportunities of unrivalled excellence for our very diverse community, to ensure the fulfilment of the full potential of all members.

Specialist College Values

- ◆ Pursuit and celebration of achievement.
- ◆ Independence and ability to solve problems.
- ◆ Confidence and caring.
- ◆ Creative and team spirited.
- ◆ Concern for equal opportunities.
- ◆ Honesty and reliability.
- ◆ Spiritual awareness.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Specialist College Goals

- ◆ Raise standards of achievement in the specialist areas, leading to whole Academy improvement.
- ◆ Improve the quality of teaching and learning in the specialist areas via innovative, rich curricula and work across the Academy to ensure similar standards are maintained.
- ◆ Offer a wide range of opportunities for depth and breadth via enrichment and extra-curricular activities.
- ◆ Develop and share good practice across the curriculum, particularly through considered use of ICT in the specialist areas.
- ◆ Raise the post-16 participation rate and maximise the opportunities for students to progress into employment, further training or higher education in the specialist areas.
- ◆ Act as a centre of excellence for other schools, the Teaching School Alliance and the community.

Public Benefit

In setting the Academy Trust's objectives and planning its activities, as the main object above indicates, the Board of Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Review of activities

The academic year 2019-20 fell into two parts: the months before the week of 16th March 2020 and those afterwards. Nationwide, schools were closed on Friday 20th March 2020 in response to the COVID-19 pandemic. The week leading up to that was hugely turbulent in the Academy, as it was in schools, workplaces and homes nationally.

Pre-COVID, the Academy's usual industrious, creative activity was evident in its academic learning, enrichment, pastoral care and personal development, including the sustained high quality of Performing and Visual Arts concerts, exhibitions and productions, the range and reach of the extra-curricular programme, notably reaching more students from disadvantaged backgrounds, and the calibre of events such as the Carol Service and Extended Project Qualification presentation evening. The Academy continued to be over-subscribed for applications to Year 7 and to the Sixth Form and this was the third year in which the increased number of 168 (up from 150) was taken into Year 7. The Academy continued to adapt its site, systems and support in light of this increase. A broad and rich curriculum offer was sustained at all Key Stages, with 130 different subject combinations being taken at KS4 and 127 different combinations in the 6th Form and no reduction of the offer in KS3.

Support and development for staff was also pursued, with increased and better-structured use of collaborative planning in departments, notably in Maths, English, Science, the Humanities and Social Sciences. This was supported by the work of the Collaborative Action Research groups (CARs) in their second year of running. INSET time was used strategically to enable department discussion, reflection on Development Plans and ensuring action is robust and impact evident. A number of staff completed NPQML and NPQSL, alongside colleagues from other Teaching School Alliance schools. The Teaching School worked with colleagues from the LDBS to deliver these courses. Two large Teaching School projects were taken up keenly, supporting school improvement in the Sir Simon Milton UTC and at Deptford Green School in Lewisham. The Maths Hub continued to be the largest and widest-reaching arm of the Teaching School, delivering training across the Maths Hub network, hosting visitors from over 45 schools to observe Maths lessons and Teacher Research Groups and leading 42 work groups across the region, reaching 170 schools, including primary, secondary, special and alternative provision.

From mid-March, the Academy underwent significant change. From 20th March, the Academy closed on-site and set up the delivery of education remotely, during the national lockdown. This was a significant challenge and achievement: students continued to be supported, to learn and develop. Staff connection was actively encouraged through online briefings, meetings and collaboration. A list of vulnerable and potentially-vulnerable students was shared between staff in the Pastoral and Safeguarding team, so that the regular remote support for these students could be monitored, problems flagged and actions noted.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

The provision of remote education evolved in response to feedback from students, staff and parents / carers, and according to the developing confidence and creativity of staff in delivering remotely. Going into the summer term, the Academy increased its on-site offer for vulnerable students at all Key Stages, and offered on-site learning for Years 10 and 12, in line with national guidance. Meantime, an enhanced online offer was provided to other year groups at home.

As a result of the closure of schools nationwide, public examinations were cancelled. Along with all other secondary schools and colleges, the Academy undertook the Centre Assessed Grades (CAGs) process, in order to provide grades to students who should have taken GCSEs and A-Levels, expecting that these grades would be standardised nationally. Following a number of last minute changes in August from central Government, and subsequent updates from Ofqual, students were issued with the CAGs, rather than standardised grades. This was an especially difficult time for Year 11 and Year 13 students and their families and the Academy devoted a lot of time and care to supporting and guiding them in August. However, by the end of the turbulence, students in both year groups had secured their next steps in education or training, with an impressive range of post-18 destinations being achieved.

Examination Results

2019-2020 was another very successful year in terms of students' academic achievement at St Marylebone. Significant highlights include:

At A' level:

- ◆ 100% of grades were A* - E
- ◆ 82.1% of grades were A* - B
- ◆ 51.5% of grades were A* - A
- ◆ 16.7% of grades were A*
- ◆ 50% of the highest achieving students were from BAME backgrounds.
- ◆ 6 places at Oxford or Cambridge were attained; 1 place for medicine; 2 highly prestigious apprenticeships

At GCSE:

- ◆ 96.4% of grades were 9 – 4 (A* - C)
- ◆ 61.2% of grades were 9 – 7 (A* - A)
- ◆ 39.3% of grades were 8 – 9 (A*)

Governors' report (including the strategic report) Year ended 31 August 2020

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Examination results (continued)

- ◆ 20.1% of grades were 9 (A**)

- ◆ 88.7% achieved at least grade 4 in English and Maths

These results demonstrate that, as an Academy, we continue to strive for the best for all learners, regardless of their background, starting points or social contexts. Maintaining this level of achievement year on year requires the consistent and persistent focused dedication of all staff within a school, and a commitment to every child to ensure the best possible outcome. All our staff give generously of their time and effort to make sure that this happens.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Although the COVID-19 pandemic has resulted in reduced lettings income and additional operating costs, particularly in respect of cleaning, the financial impact of this has not been, and is not expected to be over the next twelve months, significant enough to change the going concern basis. For this reason the Academy Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Principal Accounting Policies.

Key financial performance indicators

The Finance and Premises Committee reviews key financial data, including performance indicators, at each of their meetings. A commentary on performance for the period is presented, with detailed management accounts that include the following information:

- ◆ Income to date versus budget to date comparisons, analysed by income heading.
- ◆ Expenditure to date versus budget to date comparisons, analysed by expenditure heading.
- ◆ Projected surplus/deficit for the year, analysed by income and expenditure headings.
- ◆ Bank and investment balances, both period end and current.
- ◆ Parental Maintenance Contributions collected to date, compared with previous periods.

Staff costs represent the majority of the Academy Trust's expenditure and as such they are closely scrutinised. Actual staff costs are monitored monthly against budget with trends being extrapolated to provide expected year-end outcomes. Utility costs, including gas, electric and water, are also scrutinised to ensure efficient use of resources having regard to environmental impact.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

The financial position of the Academy Trust at 31 August 2020 showed surplus funds of £502,000 (2019 – £299,000) for the Academy and £447,000 (2019 – £210,000) for the Group, consisting of unrestricted funds of £1,041,000 (2019 – £901,000) for the Academy and the Group, restricted deficit funds of £629,000 (2019 – deficit funds of £689,000) for the Academy and restricted deficit funds of £684,000 (2019 – deficit funds of £778,000) for the Group, and endowment funds of £90,000 (2019 – £87,000) for the Academy and the Group.

Restricted funds include fixed asset funds of £1,484,000 (2019 – £1,480,000) for the Academy and £1,531,000 (2019 – £1,499,000) for the Group, representing capital grants received less the depreciation charged on fixed assets to date, as well as capital grant funding which remained unspent at the year end. Endowment funds of £90,000 (2019 – £87,000) for the Academy and for the Group represent specific donations received and invested in income shares, the income from which is restricted to the provision of scholarships.

The results for the year are shown on page 36. The net movement in funds, before reflecting the changes in LGPS pension deficit and endowment fund, is positive at £147,000 (2019 – positive £508,000) for the Academy and positive at £206,000 (2019 – positive £521,000) for the Group. The surplus is due in part to the increase in the Fixed Asset Fund of £4,000 for the Academy and £32,000 for the Group. The operational surplus for the year, being the result exclusive of movements in the pension reserve, fixed asset and endowment funds, was £140,000 (2019 – £148,000) for the Academy and £171,000 (2019 – £205,000) for the Group.

After reflecting movements in the endowment fund and the reduction in LGPS pension deficit of £56,000 (2019 – increase £901,000) for the Academy and the reduction of £31,000 (2019 – increase £1,044,000) for the Group, the net movement in funds is positive at £203,000 (2019: negative at £393,000) for the Academy and positive at £237,000 (2019: negative at £523,000) for the Group.

Financial and risk management objectives and policies

Many of the Academy's and subsidiary's support staff are members of the Local Government Pension Scheme (LGPS) which is a defined benefit scheme. The deficit inherited by the Academy on conversion was £307,000. The subsidiary employed its first members of the scheme during 2014/15 giving rise to a deficit of £11,000 as at 31 August 2015. The deficit as at 31 August 2020 reduced to £2,244,000 (2019 – increased to £2,300,000) for the Academy and increased to £318,000 (2019 – £150,000) for the subsidiary, totalling £2,562,000 for the Group (2019 – £2,593,000).

Reserves policy

The Governors have identified three principal risks against which it is appropriate to hold reserves:

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

1. Buildings related risks: the Academy Trust is obliged to maintain a diverse estate from listed Victorian buildings to more modern, high-tech buildings. Maintenance of all types of building, new and old, comes at a significant cost and funding for this is not readily available from government sources. In addition, emergency situations do arise from time to time due to circumstances beyond the Trust's control and thus the Trust needs to have sufficient funds available to ensure that work can be carried out and disruption kept to a minimum. The policy is to maintain a balance of unrestricted reserves so as to be in a position to deal with both emergency and planned property maintenance and repair.

2. LGPS pension deficit: the LGPS deficit for the Academy was assessed at £2,244k (2019: £2,300k at the August 2016 valuation) being based on the last full triennial actuarial valuation as at 31st March 2019. It is considered appropriate that a level of restricted reserves equal to 1/7th of the value of the LGPS pension deficit be maintained. Whilst the LGPS pension deficit has not crystallised, the level of deficit may necessitate higher contribution levels in future and this policy seeks to mitigate this. The Governors do not consider it appropriate, necessary or realistic to hold reserves equal to the pension deficit.

3. Future funding uncertainty: ESFA and local authority funding has been reduced in recent years, including Educational Services Grant being withdrawn, and other changes have been made, against a background of rising costs. There is also uncertainty about future funding as the Government seeks to introduce its National Funding Formula. The Governors have sought to balance financial prudence with the need to maintain the fundamental nature and success of the school through a mixture of cost savings and the approval of deficit budgets (where the deficit is funded from revenue reserves). This is in line with the policy stated in the opening paragraph above. It is expected that the policy of funding budget shortfalls from reserves will continue for the next year at which point there should be a further review.

At each of its meetings, the Finance and Premises Committee reviews the level of funds held. These funds are held at HSBC Bank plc, for current and short-term deposits where access to funds is important, and for longer-term deposits and endowment funds within The CBF Church of England Deposit and Investment Funds held and maintained by CCLA Investment Management Limited.

The Finance and Premises Committee will approve any changes to the organisations and/or accounts in which the Academy's funds are invested. However, in doing so they will take a low risk approach to investment, particularly at a time when investment returns are low, in order to protect the funds generated to date for the benefit of future years.

Governors' report (including the strategic report) Year ended 31 August 2020

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

As at 31 August 2020, the Governors have assessed that the following minimum balances should be held in respect of each risk for the Academy:

- (i) Buildings related risk: £300,000 (2019 – £300,000) of unrestricted revenue reserves;
- (ii) LGPS pension deficit: £320,000 (2019 – £330,000) of restricted revenue reserves where available, with the balance being taken from unrestricted revenue reserves;
- (iii) Future funding uncertainty: £102,000 (2019 – £206,000) of restricted revenue reserves where available, after allowing for (ii) above, with the balance being taken from unrestricted revenue reserves, this being the anticipated operating deficit over the next 12 months.

As at 31 August 2020, the actual balances on revenue reserves for the Academy, before reflecting the LGPS pensions deficit, were as follows:

Unrestricted revenue reserves: £1,041,000 (2019 – £901,000)

Restricted revenue reserves: £131,000 (2019 – £131,000)

Total revenue reserves: £1,172,000 (2019 – £1,032,000)

The minimum level of revenue reserves required to be held under the above policy is £722,000 (2019: £836,000) and actual revenue reserves held, before reflecting the LGPS pension deficit, exceed this minimum amount by £450,000 (2019 – £196,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors are aware that there are uncertainties as to future funding as a result of National Funding Reform and delays to that reform. Whilst a National Funding Formula has now been published, there is no certainty as to funding because local authorities still have the ability to operate a local formula until at least 2021. Transitional arrangements have been in place since the academic year 2013/14. The funding formula used within these transitional arrangements has had a significant detrimental impact on the Academy's funding and staffing levels have had to be cut as a direct result of year-on-year reduction in funding per pupil. The Governors acknowledge that the change to Minimum Funding Guarantee from -1.5% to a minimum of +0.5% in 2020/21 has provided some respite but, in the context of significant inflationary pressure on costs, the real terms impact is still expected to be negative and the future remains uncertain.

The reserves policy set out above aims to mitigate the risk of reduced funding in real terms and rising LGPS pension deficit in future years.

Governors' report (including the strategic report) Year ended 31 August 2020

FUNDRAISING

Fundraising was difficult during the year due to the financial impact of COVID-19 on families and due to the partial closure of the school for part of the year. However the Academy Trust did have a successful 'Theatre for the Future' campaign, among other initiatives. Donations and grants are secured from time to time through the generosity of its supporters, and these are hugely appreciated. The Academy Trust aims to achieve best practice in the way in which it communicates with supporters, taking care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data, never sells or swaps data, and ensures that its communication preferences can be changed at any time. The Academy Trust manages its own fundraising activities and does not employ the services of professional fundraisers. The Academy Trust undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the period, the Academy Trust received no complaints about its fundraising activities.

FUTURE ACTIVITIES AND PLANS

The following themes inform the Academy's objectives for 2020/21:

- 1. Curriculum:** Identify and preserve the strengths of our curriculum offer, while adapting to needs emerging following school closure. This will include addressing disadvantage and gaps in learning and reviewing how effectively our offer addresses racial discrimination and celebrates racial diversity. Ensure middle-leaders are supported in enabling the re-growth of their curriculum offer.
- 2. Teaching:** Pursue excellence in teaching, ensuring that practice is informed by recent learning, relevant research and students' emerging needs. Use assessment and feedback to evaluate student need, making most effective use of classroom time and home-learning. Use student-voice regularly to effectively inform our practice, with an emphasis on hearing from BAME and disadvantaged students.
- 3. Pastoral and safeguarding:** Take the healing approach to students' pastoral and safeguarding needs, evaluating and identifying needs and adapting provision to meet these. Support those in new roles. Promote the School's pastoral activity in combatting disadvantage, racial discrimination and inequality. Sustain excellence in delivery, promoting the culture of shared responsibility for this.
- 4. Governors' targets:** Meet Governors' targets for KS4 and KS5 examination performance; ensure targets are data-informed, challenging and plausible.
- 5. Teaching School and Maths Hub:** A year of transition as Teaching Schools (800+ in number) change nationally to become Teaching School Hubs (circa. 75 in number). Develop a bid to become one of three expected Hubs in London and if successful develop a team to roll out the much larger project (Maths Hub scale/style). If unsuccessful, become a key school to undertake outreach work for a Hub. Continue to work on large school to school support initiatives that flourished in 2019/20. Continue the exemplary work of the Maths Hub deploying in house staff strategically. Teaching School team leading and responding to in-house CPD needs also, with SLEs playing a big part in 'building back better.' All ensuring externally-set targets are met.

Governors' report (including the strategic report) Year ended 31 August 2020

FUTURE ACTIVITIES AND PLANS (continued)

6. Finance, administration and premises: Whilst learning from the challenges recently presented, seize the opportunity provided by the healing process to be creative in making positive changes to the support function for wider school benefit. Make time to think, exchange and develop ideas, and facilitate improvements where there is value in doing so, with a particular emphasis on whole-staff wellbeing, working environment, health & safety, flexibility. In enabling these objectives, we enable each member of the support team to be heard, to know the part that they play, and to feel valued for this.

AUDITOR

In so far as the Governors are aware:

- ◆ there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- ◆ the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by resolution of the Board of Governors and signed on its behalf by:

Eliza Low

Chairman of the Board of Governors

Date: *8th December 2020*

Governance statement Year ended 31 August 2020

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The St Marylebone Church of England School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met six times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Number of meetings attended	Out of a possible
Mrs Eliza Low (Chairman)	6	6
Mrs Clare Alexander	3	6
Ms Carys Ampofo	5	6
Mr Nick Barber	5	6
Ms Harriet Capon	6	6
Mr James Colenutt	3	3
Ms Frances Endres	3	6
Reverend Stephen Evans	4	6
Ms Kathryn Hardy	2	2
Mrs Sarah Hume	6	6
Ms Sharon Julien	5	5
Mr Richard Lake	4	6
Mr Steven Larcombe	6	6
Ms Amy-Jo Lynch	3	6
Ms Charlotte McCool	0	0
Ms Alla Murphy	5	6
Ms Sara Payne	5	6
Ms Kathryn Pugh (Headteacher)	6	6
Ms Emma Rea	6	6
Dr Paola Subacchi	3	6
Mrs Jo Sumpter	6	6
Ms Clare Thompson	1	1
Mrs Kirsteen Walker	4	6
Mr Alistair Watson	6	6

Governance statement Year ended 31 August 2020

Governance (continued)

The Finance and Premises Committee is a sub-committee of the main Board of Governors. Its purpose is to support the Board in making decisions concerning the Academy's finances and premises within the Committee's Terms of Reference. During the year, there were eight members of the Committee at any one time, all of whom were Governors.

Attendance at meetings in the year was as follows:

Governor	Number of meetings attended	Out of a possible
Mr Steven Larcombe (Chairman)	6	6
Ms Harriet Capon	5	6
Reverend Stephen Evans	6	6
Ms Sharon Julien	4	4
Mrs Eliza Low	6	6
Ms Amy-Jo Lynch	6	6
Ms Kathryn Pugh	6	6
Dr Paola Subacchi	6	6

The Audit and Risk Committee is also a sub-committee of the main Board of Governors. Its purpose is to ensure that there is an appropriate system of internal control in place, that it is implemented and reviewed, and to recommend the audit plan and financial statements for approval by the Board of Governors.

Governor	Meetings attended	Out of a possible
Mr Steven Larcombe (Chairman)	3	3
Ms Carys Ampofo	3	3
Mrs Sarah Hume	2	3
Mrs Eliza Low	3	3

Governance reviews

The composition and effectiveness of the Board of Governors is reviewed annually. The Academy is very fortunate to have a strong Board, the composition of which is consistent with the Articles of Association and brings a broad and varied knowledge and experience base to both full Board and Committee meetings. The Ofsted inspection report acknowledged and confirmed the strong governance in place. The Governors have a clear commitment to the provision of high quality state-funded education.

The Governors continue to be very pleased with the performance of the Headteacher and the Chairman which has contributed significantly to ensuring that the Academy maintains the highest standards of education, pastoral support and enrichment for which it is known. The exceptional 2020 GCSE and A-Level achievement, despite a very difficult year due to COVID-19, are testament to this.

Governance statement Year ended 31 August 2020

Governance (continued)

Governance reviews (continued)

There were two new Governor appointments during the year, and four resignations during the year, leaving two vacancies at the year end. There has been a further resignation since the year end such that there are currently three vacancies.

There will be a further review of the composition and effectiveness of the Board of Governors during the academic year 2020/21.

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Governors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year as follows:

- ◆ The Headteacher has maintained an active role in fundraising activities in order to secure improvements to facilities and equipment, with a specific emphasis on items that enhance the experience at St Marylebone for students.
- ◆ The Academy's Finance Team continues to ensure that it obtains the best value for money when purchasing goods and services. The team also ensures compliance with public procurement guidelines.

Procurement Policy Notes 02/20 and 04/20 have been considered and the Academy Trust has sustained contractual payments to suppliers when service levels have been adversely affected by COVID-19. This has been the case for cleaning and catering contracts and for visiting music teachers. The Academy Trust has not made use of the furlough scheme given that Government funding has been maintained. The Academy Trust does not consider that the impact of COVID-19 on value for money obtained has been significant during the period.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Governance statement Year ended 31 August 2020

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- ◆ regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and had decided not to appoint an internal auditor for 2019/20. However, the Governors appointed an Audit Committee and a Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a regular basis, the RO will report to the Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities. The RO has been assisted by the external auditors who have performed the required internal assurance checks during the period. The RO then reports to the Board of Governors and follows up on actions to ensure that those recommendations had been implemented by the finance team. The Board of Governors have noted changes within the Academies Financial Handbook 2020 and has, as a result, changed the name of the Audit Committee to Audit & Risk Committee from September 2020. The impact of changes to the Financial Reporting Council's Ethical Standard have also been considered and as a result the Academy Trust will no longer use their statutory audit firm for the internal assurance checks. An alternative provider will be sought during 2020/21 to support the Responsible Officer.

Governance statement Year ended 31 August 2020

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- ◆ the work of the Responsible Officer;
- ◆ the work of the Audit Committee;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors and signed on its behalf by:



(Chairman of the Board of Governors)



(Headteacher and Accounting Officer)

Approved on: 8th December 2020

Statement on regularity, propriety and compliance Year ended 31 August 2020

As Accounting Officer of The St Marylebone Church of England School, I have considered my responsibility to notify the Academy Trust's Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust's Board of Governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and the ESFA.

Accounting Officer



Date:

8th December 2020

Statement of Governors' responsibilities Year ended 31 August 2020

The Governors (who act as trustees of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of its incoming resources and application of resources, including its 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 2015 and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Governors on 8th December 2020 and signed on its behalf by:

Eliza Law

Chairman of the Board of Governors

Independent auditor's report Year ended 31 August 2020

Independent auditor's report on the financial statements to the Members of The St Marylebone Church of England School

Opinion

We have audited the financial statements of The St Marylebone Church of England School (the 'parent charitable company') and its subsidiary ('the group') for the year ended 31 August 2020 which comprise the group statement of financial activities, the group and parent company balance sheets, the group statement of cash flows, the principal accounting policies and the related notes to the financial statements. 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), Accounting and Reporting by Charities: 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) (the Charities SORP 2015) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

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 group 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

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

- ◆ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Independent auditor's report Year ended 31 August 2020

Conclusions relating to going concern (continued)

- ◆ the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information (covers the reference and administrative details, the report of the governors and strategic report and the governance statement)

The Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 including the strategic report which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report which is also the directors' report for the purposes of company law and includes the strategic report, including the strategic report has been prepared in accordance with applicable legal requirements.

Independent auditor's report Year ended 31 August 2020

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the strategic 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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the parent 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

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report Year ended 31 August 2020

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.

Buzzacott LLP

Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 January 2021

Independent reporting accountant's assurance report on regularity to The St Marylebone Church of England School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Marylebone Church of England School during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The St Marylebone Church of England School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The St Marylebone Church of England School and the ESFA those matters we are required to state in a 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 St Marylebone Church of England School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The St Marylebone Church of England School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The St Marylebone Church of England School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

Independent reporting accountant's report Year ended 31 August 2020

Approach (continued)

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

28 January 2021

Consolidated statement of financial activities (including an income and expenditure account)
Year ended 31 August 2020

	Notes	Un- restricted general fund £'000	Restricted funds			Endow- ment fund £'000	2020 Total funds £'000	2019 Total funds £'000
			ESFA £'000	Other £'000	Fixed assets fund £'000			
Income from:								
Donations and capital grants	1	135	—	—	261	—	396	704
Charitable activities								
. Funding for the Academies' educational operations	4	190	8,789	1,180	—	—	10,159	9,943
. Teaching Schools		—	40	—	—	—	40	40
. Activities for generating funds	2	179	—	—	—	—	179	252
. Investments	3	9	—	—	—	—	9	9
Total income		513	8,829	1,180	261	—	10,783	10,948
Expenditure on:								
Charitable activities								
. Academies' educational operations	6	373	9,257	1,155	223	—	11,008	10,804
. Teaching Schools	5	—	40	—	—	—	40	40
Total expenditure	5	373	9,297	1,155	223	—	11,048	10,844
Net income (expenditure) before transfers								
		140	(468)	25	38	—	(265)	104
Transfers between funds	17	—	—	6	(6)	—	—	—
Net income (expenditure)		140	(468)	31	32	—	(265)	104
Other recognised gains and losses								
Unrealised gains on investments	13	—	—	—	—	3	3	6
Actuarial gains (losses) on defined benefit pension scheme	17	—	499	—	—	—	499	(633)
Net movement in funds		140	31	31	32	3	237	(523)
Fund balances brought forward at 1 September 2019								
		901	(2,593)	316	1,499	87	210	733
Fund balances carried forward at 31 August 2020								
		1,041	(2,562)	347	1,531	90	447	210

All of the Group's activities derived from continuing operations in the current and preceding financial periods.

The Group has no recognised gains or losses other than those shown above.

Balance sheets 31 August 2020

	Notes	2020		2019	
		Group £'000	Academy Trust £'000	Group £'000	Academy Trust £'000
Fixed assets					
Investments	13	90	90	87	87
Tangible fixed assets	12	1,421	1,419	1,380	1,361
		1,511	1,509	1,467	1,448
Current assets					
Debtors	15	788	745	739	671
Cash at bank and in hand		2,084	1,786	2,219	1,997
		2,872	2,531	2,958	2,668
Creditors: amounts falling due within one year	16	(1,374)	(1,294)	(1,622)	(1,517)
Net current assets		1,498	2,746	1,336	1,151
Net assets excluding pension scheme liability					
		3,009	2,746	2,803	2,599
Pension scheme liability	20	(2,562)	(2,244)	(2,593)	(2,300)
Total net assets		447	502	210	299
Funds of the Academy					
Restricted funds					
. Fixed assets fund		1,531	1,484	1,499	1,480
. Restricted ESFA fund		—	—	—	—
. Other restricted funds		347	131	316	131
. Pension reserve		(2,562)	(2,244)	(2,593)	(2,300)
Total restricted funds	17	(684)	(629)	(778)	(689)
Endowment fund	17	90	90	87	87
Unrestricted income funds					
. General fund	17	1,041	1,041	901	901
Total funds		447	502	210	299

The financial statements on pages 36 to 64 were approved by the Governors, and authorised for issue on *8th December 2020* and are signed on their behalf by:

Chairman of the Board of Governors

Eniza Law

The St Marylebone Church of England School, Company Limited by Guarantee
Registration Number: 07719620 (England and Wales)

Principal accounting policies 31 August 2020

		2020 £'000	2019 £'000
Net cash flows from operating activities			
Net cash (used in) provided by operating activities	A	(144)	532
Cash flows from investing activities			
	B	9	76
Change in cash and cash equivalents in the year		<u>(135)</u>	<u>608</u>
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2019		2,219	1,611
Cash and cash equivalents at 31 August 2020	C	<u>2,084</u>	<u>2,219</u>

A Reconciliation of net (expenditure) income to net cash flows from operating activities

	2020 £'000	2019 £'000
Net (expenditure) income for the year (as per the statement of financial activities)	(265)	104
Adjusted for:		
Depreciation (note 12)	220	210
Capital grants from DfE and other capital income	(261)	(499)
Dividends and interest receivable	(9)	(9)
Defined benefit pension scheme cost less contributions payable (Note 20)	418	371
Defined benefit pension scheme finance cost (note 20)	50	40
Increase in debtors	(49)	(282)
(Decrease) increase in creditors	(248)	597
Net cash (used in) provided by operating activities	(144)	532

B Cash flows from investing activities

	2020 £'000	2019 £'000
Dividends and interest from investments	9	9
Purchase of tangible fixed assets	(261)	(432)
Capital grants from DfE/ESFA and other capital income	261	499
Net cash provided by investing activities	9	76

C Analysis of changes in net debt

	2019 £'000	Cash flows £'000	2020 £'000
Cash at bank and in hand	2,219	(135)	2,084
Total cash and cash equivalents	<u>2,219</u>	<u>(135)</u>	<u>2,084</u>

Principal accounting policies 31 August 2020

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The accounts are presented in sterling and rounded to the nearest thousand pounds.

The St Marylebone Church of England School meets the definition of a public benefit entity under FRS 102.

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Governors have considered the impact of the current Coronavirus pandemic on the Group's operations. While they acknowledge the disruption caused by the pandemic to the Group's day-to-day operations, they do not consider the pandemic to be cause for material uncertainty in respect to the Group's ability to continue as a going concern. The COVID-19 pandemic has resulted in reduced lettings income and additional operating costs, particularly in respect of cleaning, although the financial impact of this has not been hugely significant, and is not expected to be over the next twelve months. The Group has and is continuing to develop contingency plans which are being implemented successfully and the Governors have therefore concluded that they consider that the Group has sufficient resources to continue for the foreseeable future, despite the current situation, and there are no material uncertainties about the Group's ability to continue as a going concern. Thus, the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust.

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

On conversion to Academy status, the school buildings at Blandford Street were agreed to be leased to the Rector and Churchwardens of the Ecclesiastical Parish of St Marylebone with Holy Trinity St Marylebone by The Lord Mayor and citizens of the City of Westminster. The buildings on the main school site are owned by the Rector and Churchwardens of the Ecclesiastical Parish of St Marylebone with Holy Trinity St Marylebone. Both sites are available for the Academy to use under a trust or licence agreement.

The continuing permission of the Rector and Churchwardens is pursuant to, and subject to, their charitable objects, and is part of the Church of England's contribution to provide state funded education in partnership with the Government. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The Rector and Churchwardens have given an undertaking to the Academy Trust that they will not give the academy trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the Governors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet.

Individual assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

Leasehold improvements	20% or 10% per annum
Furniture and equipment	20% per annum
Motor vehicles	20% per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due from the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Westminster City Council.

Endowment funds comprise donations received and invested to be held indefinitely by the Academy, the income from which is restricted to the provision of scholarships.

Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the financial statements Year ended 31 August 2020

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	—	—	215	215	494
Other donations	135	—	46	181	210
	135	—	261	396	704

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Restricted fixed assets funds £'000</i>	<i>2019 Total funds £'000</i>
Capital grants	—	—	494	494
Other donations	180	25	5	210
	180	25	499	704

2 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	128	—	128	217
Outreach and school to school support	51	—	51	35
	179	—	179	252

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
Hire of facilities	217	—	217
Outreach and school to school support	35	—	35
	252	—	252

3 Investments

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Endowment fund interest	9	—	9	9
	9	—	9	9

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
Endowment fund interest	9	—	9
	9	—	9

Notes to the financial statements Year ended 31 August 2020

4 Funding for Academies' educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE / ESFA grants				
. General Annual Grant (GAG)	—	7,488	7,488	7,252
. Other DfE / ESFA grants	—	804	804	451
. RPA Claim	—	45	45	—
. National College grants	—	452	452	606
	—	8,789	8,789	8,309
Other government grants				
. Local authority grants	—	1,179	1,179	1,145
	—	1,179	1,179	1,145
Other income from the Academies' educational operations	190	1	191	489
	190	9,969	10,159	9,943

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
DfE / ESFA grants			
. General Annual Grant (GAG)	—	7,252	7,252
. Start Up grants	—	—	—
. Other DfE / ESFA grants	—	451	451
. National College grants	—	606	606
	—	8,309	8,309
Other government grants			
. Local authority grants	—	1,145	1,145
	—	1,145	1,145
Other income from the Academies' educational operations	489	—	489
	489	9,454	9,943

Notes to the financial statements Year ended 31 August 2020

5 Expenditure

	Staff costs (note 9) £'000	Non pay expenditure		2020 Total funds £'000
		Premises £'000	Other costs £'000	
Academies' educational operations (note 6)				
. Direct costs	6,451	—	1,157	7,608
. Support costs	2,343	660	397	3,400
	8,794	660	1,554	11,008
Teaching Schools	40	—	—	40
	8,834	660	1,554	11,048

	Staff costs (note 9) £'000	Non pay expenditure		2019 Total funds £'000
		Premises £'000	Other costs £'000	
Academies' educational operations (note 6)				
. Direct costs	6,033	—	1,351	7,384
. Support costs	2,170	779	471	3,420
	8,203	779	1,822	10,804
Teaching Schools	40	—	—	40
	8,243	779	1,822	10,844

	2020 Total funds £'000	2019 Total funds £'000
Expenditure for the year includes:		
Operating leases rentals – other furniture and equipment	13	10
Depreciation	220	210
Fees payable to auditor		
. Audit	15	15
. Other services	2	15

Notes to the financial statements Year ended 31 August 2020

6 Charitable activities – Academies' educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	7,608	7,384
Support costs	3,400	3,420
	11,008	10,804

	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	2,343	2,170
Depreciation	220	210
Technology costs	65	105
Premises costs	440	569
Other support costs	304	330
Governance costs (note 7)	28	36
Total support costs	3,400	3,420

7 Governance costs

	2020 Total funds £'000	2019 Total funds £'000
Auditor's remuneration		
. Audit services	15	15
. Other services	2	15
Other governance costs	11	6
	28	36

Notes to the financial statements Year ended 31 August 2020

8 Comparative information

Analysis of consolidated income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Un-restricted general fund £'000	Restricted funds			Endow- ment fund £'000	2019 Total funds £'000
		ESFA £'000	Other £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	180	—	25	499	—	704
Charitable activities						
. Funding for the Academies' educational operations	489	8,309	1,145	—	—	9,943
. Teaching Schools	—	40	—	—	—	40
. Activities for generating funds	252	—	—	—	—	252
. Investments	9	—	—	—	—	9
Total income	930	8,349	1,170	499	—	10,948
Expenditure on:						
Charitable activities						
. Academies' educational operations	608	8,733	1,253	210	—	10,804
. Teaching Schools	—	40	—	—	—	40
Total expenditure	608	8,773	1,253	210	—	10,844
Net income (expenditure) before transfers	322	(424)	(83)	289	—	104
Transfers between funds	(34)	13	—	21	—	—
Net income (expenditure)	288	(411)	(83)	310	—	104
Other recognised gains and losses						
Unrealised gains on investments	—	—	—	—	6	6
Actuarial losses on defined benefit pension scheme	—	(633)	—	—	—	(633)
Net movement in funds	288	(1,044)	(83)	310	6	(523)
Fund balances brought forward at 1 September 2018	613	(1,549)	399	1,189	81	733
Fund balances carried forward at 31 August 2019	901	(2,593)	316	1,499	87	210

Notes to the financial statements Year ended 31 August 2020

9 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	6,279	6,085
Social security costs	613	649
Pension costs (including FRS102 adjustment of £418,000 debit (2019 – £301,000 debit))	1,699	1,297
	8,591	8,031
Supply staff costs	233	212
Severance payments	10	—
	8,834	8,243

(b) Staff severance payments

Included in severance payments is a single, non-statutory/ non-contractual severance payment of £10,203 (2019: nil).

(c) Staff numbers

The average number of persons (including the Executive Group) employed by the charitable company during the year ended 31 August 2020 was as follows:

Charitable activities	2020 Number	2019 Number
Teachers	108	109
Administration and support	61	58
	169	167

(d) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2020 Number	2019 Number
£60,001 – £70,000	6	4
£70,001 – £80,000	2	1
£80,001 – £90,000	—	2
£90,001 – £100,000	3	1

Ten (2019 – seven) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions for these staff amounted to £168,955 (2019 – £73,972). The other employee participated in the Local Government Pension Scheme, with contributions amounting to £13,961 (2019 – £13,457).

Notes to the financial statements Year ended 31 August 2020

9 Staff (continued)

(e) Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the Executive Group as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £622,081 (2019 – £677,870).

10 Governors' remuneration and expenses

The Headteacher and Staff Governors only receive remuneration in respect of services they provide in undertaking their roles as employees of the Academy and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration for the year in total was £208,669 (2019 – £238,784). The remuneration of the highest paid Governor, the Headteacher, for the year was £99,672 (2019 – £97,459). Pension contributions totalling £23,602 (2019 – £16,061) were paid in the year for the Headteacher.

Other related party transactions involving the Governors are set out in note 21.

The value of trustees' remuneration and other benefits during the year ended 31 August 2020 and during their period in office was as follows:

	2020 £'000	2019 £'000
Kathryn Pugh, Head teacher and Trustee		
Remuneration	95 – 100	95 – 100
Employer's pension contributions	20 – 25	15 – 20
Richard Lake, Staff Trustee		
Remuneration	55 – 60	55 – 60
Employer's pension contributions	10 – 15	5 – 10
Kathryn Hardy, Staff Trustee		
Remuneration	20 – 25	40 – 45
Employer's pension contributions	0 – 5	5 – 10
Charlotte McCool		
Remuneration	10 – 15	40 – 45
Employer's pension contributions	0 – 5	5 – 10
James colenutt		
Remuneration	15 – 20	–
Employer's pension contributions	0 – 5	–

Notes to the financial statements Year ended 31 August 2020

11 Governors' and Officers' insurance

On 1 September 2014, the Academy Trust opted into the ESFA Risk Protection Arrangement (RPA) which provides cover up to £10,000,000 for Governors' Liability and unlimited Professional Indemnity cover. The total cost for the entire insurance package and RPA membership during the year ended 31 August 2020 was £20,250 (2019 – £21,900).

12 Tangible fixed assets

Group	Leasehold improvements £'000	Furniture and equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 September 2019	1,715	438	53	2,206
Additions	139	122	—	261
At 31 August 2020	<u>1,854</u>	<u>560</u>	<u>53</u>	<u>2,467</u>
Depreciation				
At 1 September 2019	522	265	39	826
Charge in year	153	59	8	220
At 31 August 2020	<u>675</u>	<u>324</u>	<u>47</u>	<u>1,046</u>
Net book value				
At 31 August 2020	<u>1,179</u>	<u>236</u>	<u>6</u>	<u>1,421</u>
At 31 August 2019	<u>1,193</u>	<u>173</u>	<u>14</u>	<u>1,380</u>
Academy Trust				
Cost				
At 1 September 2019	1,488	347	15	1,850
Additions	139	122	—	261
At 31 August 2020	<u>1,627</u>	<u>469</u>	<u>15</u>	<u>2,111</u>
Depreciation				
At 1 September 2019	299	184	6	489
Charge in year	148	52	3	203
At 31 August 2020	<u>447</u>	<u>236</u>	<u>9</u>	<u>692</u>
Net book value				
At 31 August 2020	<u>1,180</u>	<u>233</u>	<u>6</u>	<u>1,419</u>
At 31 August 2019	<u>1,189</u>	<u>163</u>	<u>9</u>	<u>1,361</u>

Notes to the financial statements Year ended 31 August 2020

12 Tangible fixed assets (continued)

On conversion to Academy status, the school buildings at Blandford Street were agreed to be leased to the Rector and Churchwardens of the Ecclesiastical Parish of St Marylebone with Holy Trinity St Marylebone by The Lord Mayor and citizens of the City of Westminster. The buildings on the main school site are owned by the Rector and Churchwardens of the Ecclesiastical Parish of St Marylebone with Holy Trinity St Marylebone. Both sites are available for the Academy to use under a trust or licence agreement.

The continuing permission of the Rector and Churchwardens is pursuant to, and subject to, their charitable objects, and is part of the Church of England's contribution to provide state funded education in partnership with the Government. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The Rector and Churchwardens have given an undertaking to the Academy Trust that they will not give the academy trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the Governors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet.

13 Investments

Group and Academy Trust	2020 Endowment fund £'000	2019 Endowment fund £'000
CCLA Church of England Investment Fund Income Shares		
. Balance brought forward at 1 September 2019	87	81
. Unrealised gains	3	6
. Balance carried forward at 31 August 2020	90	87

14 Subsidiary

On 26 October 2012 the Governors established a subsidiary, The St Marylebone Church of England Bridge School, a charitable company (Company Registration Number 8270125). The principal objective of the subsidiary is to operate a Special Free School for pupils with speech, language and communication needs.

A summary of the results of The St Marylebone Church of England Bridge School for the year ended 31 August 2020 is given below.

The St Marylebone Church of England School controls The St Marylebone Church of England Bridge School by virtue of the fact that they are able to appoint the majority of the Governors. However, each Academy Trust is a Single Academy Trust and each has its own Funding Agreement with the Department for Education.

Notes to the financial statements Year ended 31 August 2020

14 Subsidiary (continued)

	2020	2019
	£'000	£'000
Income	1,669	1,504
Expenditure	(1,708)	(1,563)
Actuarial (losses)/gains on defined benefit pension scheme	73	(71)
Net movement in funds	34	(130)
Fund balances carried forward	(55)	(89)

15 Debtors

Group	2020	2019
	£'000	£'000
Trade debtors	140	134
VAT recoverable	105	92
Other debtor	7	20
Prepayments and accrued income	536	493
	788	739

Academy Trust	2020	2019
	£'000	£'000
Trade debtors	122	84
VAT recoverable	105	92
Amounts due from The St Marylebone Church of England Bridge School	205	169
Other debtors	7	20
Prepayments and accrued income	306	306
	745	671

16 Creditors: amounts falling due within one year

Group	2020	2019
	£'000	£'000
Trade creditors	306	376
Other taxation and social security	160	162
Other creditors	789	690
Accruals and deferred income	119	394
	1,374	1,622
Deferred income (included above):		
Deferred income at 1 September 2019	118	58
Released during the year	(60)	(6)
Resources deferred in the year	—	66
Deferred income at 31 August 2020	58	118

Notes to the financial statements Year ended 31 August 2020

16 Creditors: amounts falling due within one year (continued)

Academy Trust	2020 £'000	2019 £'000
Trade creditors	276	344
Other taxation and social security	138	141
Other creditors	789	690
Accruals and deferred income	91	342
	1,294	1,517
Deferred income (included above):		
Deferred income at 1 September 2019	72	37
Released during the year	(35)	(5)
Resources deferred in the year	—	40
Deferred income at 31 August 2020	37	72

Deferred income at 31 August 2020 consists of £36,667 of capital grant for which entitlement to recognise as income has not materialised.

17 Funds

Group	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	Balance at 31 August 2020 £'000
Endowment fund					
. Transferred from predecessor school	87	—	—	3	90
Total endowment fund	87	—	—	3	90
Restricted ESFA/DfE funds					
General Annual Grant	—	7,488	(7,488)	—	—
Pupil Premium	—	291	(291)	—	—
Teaching Schools Core Grant	—	40	(40)	—	—
Other grants	—	1,010	(1,010)	—	—
Pension reserve	(2,593)	—	(468)	499	(2,562)
	(2,593)	8,829	(9,297)	499	(2,562)
Restricted fixed assets fund					
. DfE/ESFA capital grants	1,499	215	(223)	(6)	1,485
. Private sector capital sponsorship	—	46	—	—	46
	1,499	261	(223)	(6)	1,531
Other restricted funds					
. Local Authority grants	316	1,180	(1,155)	6	347
	316	1,180	(1,155)	6	347
Total restricted funds	(778)	10,270	(10,675)	499	(684)
Unrestricted funds					
. General funds	901	513	(373)	—	1,041
Total unrestricted funds	901	513	(373)	—	1,041
Total funds	210	10,783	(11,048)	502	447

17 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Restricted ESFA/DfE revenue grant

Restricted ESFA/DfE Funds constitute the General Annual Grant (GAG including School Budget Share, Minimum Funding Guarantee, Educational Services Grant, insurance and rates grants, and post-16 high needs funding) and Pupil Premium Grant, all of which contribute to the operations of the Academy Trust. These grants are restricted to the purposes for which they were approved by the ESFA/DfE.

Under the funding agreement with the Secretary of State, neither Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Restricted fixed asset fund

Restricted fixed asset funds reflect capital grants and private donations receivable by the Group in the year of £261,000 (2019 – £499,000) for the purchase of capital items, less depreciation charged in the period of £220,000 (2019 – £210,000). During the year, the Group purchased fixed assets costing £261,000 (2019 – £432,000) which were partly funded by capital grants.

Other restricted funds

Other restricted funds represent grants and donations from organisations other than the ESFA/DfE and include local authority funding for SEN provision.

Endowment fund

Endowment funds represent donations received by the Academy Trust from the predecessor school for the purposes of long term investment, the income from which is to be utilised in the provision of scholarships for qualifying pupils. These funds are invested in CBF Church of England Investment Fund Income Shares, held by CCLA Investment Management Ltd.

Transfers between funds

The St Marylebone Church of England Bridge School transferred £6,000 (2019 – £nil) from the Fixed Assets fund to cover eligible spend, in respect of items not treated as fixed assets, included within other restricted expenditure. In the prior year, the St Marylebone Church of England Bridge School made a transfer of £13,000 from its unrestricted general funds to the restricted ESFA income fund in order to cover a deficit on GAG spending. In the prior year, the St Marylebone Church of England School transferred £21,000 from its unrestricted general funds to the fixed asset fund in order to represent the purchase of tangible fixed assets using GAG funding.

Notes to the financial statements Year ended 31 August 2020

17 Funds (continued)

Comparative information

Comparative information in respect of the preceding period is as follows:

Group	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	Balance at 31 August 2019 £'000
Endowment fund					
. Transferred from predecessor school	81	—	—	6	87
Total endowment fund	81	—	—	6	87
Restricted ESFA/DfE funds					
General Annual Grant	—	7,252	(7,265)	13	—
Pupil Premium	—	290	(290)	—	—
Teaching Schools Core Grant	—	40	(40)	—	—
Other grants	—	767	(767)	—	—
Pension reserve	(1,549)	—	(411)	(633)	(2,593)
	(1,549)	8,349	(8,773)	(620)	(2,593)
Restricted fixed assets fund					
. DfE/ESFA capital grants	1,189	499	(210)	21	1,499
	1,189	499	(210)	21	1,499
Other restricted funds					
. Local Authority grants	128	1,145	(957)	—	316
. Other restricted funds	271	25	(296)	—	—
	399	1,170	(1,253)	—	316
Total restricted funds	39	10,018	(10,236)	(599)	(778)
Unrestricted funds					
. General funds	613	930	(608)	(34)	901
Total unrestricted funds	613	930	(608)	(34)	901
Total funds	733	10,948	(10,844)	(627)	210

Notes to the financial statements Year ended 31 August 2020

18 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Endowment fund £'000	Total 2020 £'000
Investments	—	—	—	90	90
Tangible fixed assets	—	—	1,421	—	1,421
Current assets	1,041	1,721	110	—	2,872
Current liabilities	—	(1,374)	—	—	(1,374)
Pension scheme liability	—	(2,562)	—	—	(2,562)
Total net assets	1,041	(2,215)	1,531	90	447

Academy Trust	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Endowment fund £'000	Total 2020 £'000
Investments	—	—	—	90	90
Tangible fixed assets	—	—	1,419	—	1,419
Current assets	1,041	1,425	65	—	2,531
Current liabilities	—	(1,294)	—	—	(1,294)
Pension scheme liability	—	(2,244)	—	—	(2,244)
Total net assets	1,041	(2,113)	1,484	90	502

<i>Group – 2019</i>	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed asset fund £'000</i>	<i>Endowment fund £'000</i>	<i>Total 2019 £'000</i>
<i>Investments</i>	—	—	—	87	<i>87</i>
<i>Tangible fixed assets</i>	—	—	1,380	—	<i>1,380</i>
<i>Current assets</i>	901	1,938	119	—	<i>2,958</i>
<i>Current liabilities</i>	—	(1,622)	—	—	<i>(1,622)</i>
<i>Pension scheme liability</i>	—	(2,593)	—	—	<i>(2,593)</i>
<i>Total net assets</i>	<i>901</i>	<i>(2,277)</i>	<i>1,499</i>	<i>87</i>	<i>210</i>

<i>Academy Trust – 2019</i>	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed asset fund £'000</i>	<i>Endowment fund £'000</i>	<i>Total 2019 £'000</i>
<i>Investments</i>	—	—	—	87	<i>87</i>
<i>Tangible fixed assets</i>	—	—	1,361	—	<i>1,361</i>
<i>Current assets</i>	901	1,648	119	—	<i>2,668</i>
<i>Current liabilities</i>	—	(1,517)	—	—	<i>(1,517)</i>
<i>Pension scheme liability</i>	—	(2,300)	—	—	<i>(2,300)</i>
<i>Total net assets</i>	<i>901</i>	<i>(2,169)</i>	<i>1,480</i>	<i>87</i>	<i>299</i>

19 Members' liability

Each member of the Academy Trust undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

20 Pension and similar obligations

The Academies' employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Westminster City Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to 31 March 2016 and for LGPS to 31 March 2019.

Contributions amounting to £113,530 were payable to the schemes at 31 August 2020 (2019 – £90,725) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);

Notes to the financial statements Year ended 31 August 2020

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,083,795 (2019 – £747,952).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £291,000 (2019 – £273,000), of which employer's contributions totalled £208,000 (2019 – £194,000) and employees' contributions totalled £83,000 (2019 – £79,000). Following completion of the triennial actuarial valuation as at 31 March 2019, employer contribution rates increased to 16.8% from 1 April 2020 (previously 15.2%).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.25%	3.65%
Rate of increase for pensions in payment / inflation	2.25%	2.15%
Discount rate for scheme liabilities	1.65%	1.90%
Inflation assumption (CPI)	2.25%	2.15%
Commutation of pensions to lump sums	50.00%	50.00%

Notes to the financial statements Year ended 31 August 2020

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2020 Years	At 31 August 2019 Years
<i>Retiring today</i>		
Males	21.80	23.4
Females	24.40	24.8
<i>Retiring in 20 years</i>		
Males	23.20	25.1
Females	25.90	26.6

	At 31 August 2020 £'000	At 31 August 2019 £'000
Sensitivity Analysis: Impact on the net pension liability from changes in assumptions		
Discount rate +0.1%	(184)	(164)
Discount rate -0.1%	190	168
Mortality assumption – 1 year increase	250	216
Mortality assumption – 1 year decrease	(241)	(208)
CPI rate +0.1%	177	151
CPI rate -0.1%	(172)	(147)

The Academies' share of the assets and liabilities in the scheme were:

Group	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	2,829	2,385
Other bonds	562	487
Property	355	328
Cash and other liquid assets	22	2
Total market value of assets	3,768	3,202
Present value of scheme liabilities		
. Funded	(6,330)	(5,795)
Deficit in the scheme	(2,562)	(2,593)

Notes to the financial statements Year ended 31 August 2020

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service cost	626	495
Past service cost (McCloud judgement)	—	70
Interest income	(53)	(79)
Interest cost	101	118
Admin expenses	2	1
Total operating charge	676	605
Analysis of pension finance		
Expected return on pension scheme assets	53	79
Interest on pension liabilities	(101)	(118)
Pension finance	(48)	(39)
Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September 2019	5,795	4,346
Current service cost	626	495
Interest cost	101	118
Employee contributions	83	79
Actuarial (gain)/loss	(242)	719
Benefits paid	(33)	(32)
Past service cost	—	70
At 31 August 2020	6,330	5,795
Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	3,202	2,797
Interest income	53	79
Return on plan assets less interest	257	86
Employer contributions	208	194
Employee contributions	83	79
Benefits paid	(33)	(32)
Administration expenses	(2)	(1)
At 31 August 2019	3,768	3,202

21 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the period, The St Marylebone Parish Church employed a Chaplain whose time is shared equally between the Church and the Academy as School Chaplain. The Academy Trust paid £35,549 being 50% of the actual cost of employment to The St Marylebone Parish Church.

The Academy Trust paid The London Diocesan Board for Schools (LDBS), a member, £9,542 (2019 – £9,404) for support services.

On conversion to Academy status, the school buildings at Blandford Street were agreed to be leased to the Rector and Churchwardens of the Ecclesiastical Parish of St Marylebone with Holy Trinity St Marylebone by The Lord Mayor and citizens of the City of Westminster. The buildings on the main school site are owned by the Rector and Churchwardens of the Ecclesiastical Parish of St Marylebone with Holy Trinity St Marylebone. Both sites are available for the Academy to use under a trust or licence agreement.

Other transactions with the Governors are disclosed in note 10 to the financial statements.

22 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

Group and Academy	Furniture and equipment	
	2020 £'000	2019 £'000
Amounts due within one year	11	11
Amounts due between one and five years	10	21
	21	32

Notes to the financial statements Year ended 31 August 2020

23 Teaching school trading account

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Direct income				
Teaching schools grants	<u>40</u>		<u>40</u>	
Total income		<u>40</u>		<u>40</u>
Expenditure				
Direct staff costs	<u>(40)</u>		<u>(40)</u>	
Total direct costs		<u>(40)</u>		<u>(40)</u>
Total expenditure		<u>(40)</u>		<u>(40)</u>
Surplus (deficit) from all sources		<u>—</u>		<u>—</u>
Teaching schools balances at 31 August 2020		<u>—</u>		<u>—</u>