

# REGISTRAR OF COMPANIES

## Marylebone School Limited

### Annual Report and Financial Statements

31 August 2019

Company Limited by Guarantee  
Registration Number  
08339142 (England and Wales)

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## Reference and administrative information

**Members** Timothy Carnegie  
Sarah Clifford  
Margaret Mountford  
Antonia Cox  
Inigo Woolf (representing LDBS)

**Governors** Monica Alvarez Yu  
Richard Ardron  
Susan Arndt  
Andrew Barnes  
Sarah Brendlor  
Antonia Cox  
Margaret Mountford  
Emily Sargent  
Troy Sharpe  
Jane Wilson

<b>Senior Leadership Team</b>	
Headteacher and Accounting Officer	Richard Ardron
Deputy Headteacher	Harriet Watkins
Assistant Headteacher	Charlotte Fine
Assistant Headteacher	Paul Green
Assistant Headteacher	Paul Hunt
School Business Manager	Giles Finnemore

**Registered address** North Wharf Road  
London  
W2 1QZ

**Company registration number** 08339142

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Lloyds Bank  
39 Threadneedle Street  
London  
EC2R 8AU

## **Governors' report** Year to 31 August 2019

The governors of Marylebone School Limited ('the Academy') present their statutory report together with the financial statements of the charitable company for the year to 31 August 2019. 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 23 to 27 of the attached financial statements and comply with the Academy'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).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Marylebone School Limited is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The members of the Academy as defined in the Articles of Association are:

- ◆ The signatories of the Memorandum of Association;
- ◆ Up to one person who may be appointed by the London Diocesan Board for Schools;
- ◆ The chairman of the Governors; and
- ◆ Any additional member appointed by special resolution of the members.

The governors act as the trustees for the charitable activities of Marylebone School Limited and are also the directors of the charitable company for the purposes of company law.

Details of the governors who served throughout the year, and up to the date of approval of these financial statements, except as noted, are included on page 3.

#### **Members' liability**

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

#### **Governors' indemnities**

In accordance with normal commercial practise the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the governors' and officers' indemnity element from the overall cost of the RPA scheme.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Principal activities**

The Academy's objects are specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

**Governors**

The governors are directors of the charitable company for the purposes of the Companies Act 2006. The following trustees were in office at the date of approval of these financial statements and served throughout the year except where shown.

<b>Governor</b>	<b>Position</b>	<b>Appointment/ Resignation</b>
Monica Alvarez Yu		
Richard Ardron	Headteacher and Accounting Officer	
Susan Arndt	Elected by parents	
Andrew Bailey		Until 9 August 2019
Andrew Barnes	Finance Governor	From 29 March 2019
Sarah Brendlor		
Timothy Carnegie		Until 10 October 2019
Sarah Clifford	Chair of Governors	Until 12 December 2018
Antonia Cox	Vice-Chair	
Gary Howells		Until 22 May 2019
Margaret Mountford	Chair of Governors	From 6 December 2018
Emily Sargent	Staff Governor	From 7 March 2019
Troy Sharpe		From 31 October 2019
Sophie Rogers	Staff Governor	Until 1 November 2018
Jane Wilson	Elected by parents	From 6 December 2018

**Method of recruitment and appointment or election of governors**

The articles of association provide for the appointment or election of governors, as follows:

- ◆ Up to seven Governors appointed by the Members;
- ◆ A minimum of two Parent Governors;
- ◆ The Headteacher; and
- ◆ Co-opted Governors appointed by the Board.

**Policies and procedures adopted for the induction and training of governors**

We expect all governors to undertake training as appropriate to their work at the Academy. New governors will be provided with an induction programme delivered partly in-house and partly through external sources as required. A log is kept of all governor training and reviewed on a regular basis at governor meetings.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Organisational structure**

The Academy is governed by a Governing Body constituted under a Memorandum of Association and Articles of Association. The Governing Body is responsible for ensuring that high standards of governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy, addressing such matters as:

- ◆ Policy development and strategic direction;
- ◆ Ensuring compliance with legal requirements;
- ◆ Ensuring sound management and administration;
- ◆ Establishing and maintaining effective internal controls;
- ◆ Management of all resources;
- ◆ Monitoring of the School's performance; and
- ◆ Assessing and managing risk.

Governors are responsible for setting general policy, adopting an annual School Development Plan and Budget and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Headteacher is directly responsible for the day to day running of the Academy. The Senior Leadership Team controls the Academy at an executive level implementing the policies laid down by the governors and reporting back to them and providing evidence, reports and data analysis to Governing Body meetings, enabling governors to monitor effectively.

The Headteacher is the Accounting Officer.

### **Arrangements for setting pay and remuneration of key management personnel**

The Governing Body agrees pay ranges for all staff roles which are benchmarked against market pay rates. Individual staff salaries are set by the Headteacher with reference to the authorised salary ranges and individual performance objectives and outcomes, and approved by the Governing Body. The Chair, Vice-Chair and one other Governor are authorised to review the Headteacher's performance in conjunction with an external adviser, and to set pay by reference to performance and market pay rates.

### **Trade union facility time**

There were no union officials employed by the Academy during the year ended 31 August 2019.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Connected organisations, including related party relationships**

The Academy works with the Department for Education and the ESFA and maintains links with Westminster City Council.

The London Diocesan Board for Schools is a corporate member of the Academy.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The sole activity of the charitable company is the operation of Marylebone Boys' School; an Academy School providing education for pupils aged 11 to 16 and a Sixth Form for pupils aged 16 to 18.

### **Public Benefit**

In setting the Academy's objectives and planning its activities, the governing body have given careful consideration to the Charity Commission's general guidance on public benefit. The governors have complied with their duty to have due regard to the guidance on public benefit, published by the Charity Commission, in exercising their powers or duties.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***Review of activities***

The academy has successfully completed its fifth academic year, fully staffed and with a cohort of year 7 to 11 pupils, and its first full year in its new permanent building.

The school continues its strong focus on teaching and learning, and the emphasis remains on "academic rigour" to underpin the subjects studied by pupils.

The first cohort of GCSE pupils sat their exams in the summer of 2019. Highlights include:

- 70% received grade 5+ in English and 84% received 4+ whilst 30% achieved 9-7.
- 66% received grade 5+ in Maths and 84% received 4+ whilst 25% achieved 9-7.
- The average grade for all boys across all subjects was Grade 5.
- Over a fifth of our grades were 9-7.
- The percentage of boys passing English and Maths at grade 5+ was 58%. This compares to the national average in 2018 of 36.8% for boys.

Senior and middle leaders have continued to prioritise the development of the Key Stage 4 curriculum and the delivery of the new GCSE specifications, as well as preparing the curriculum for the new Sixth Form from September 2019.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Review of activities*** (continued)

The school has continued its programme of external validation to give assurance that its assessment measures and target setting are consistent with other high performing schools. A full programme of staff training, professional development and CPD practice is embedded in the annual academic cycle and continues to focus on the development of middle leaders.

In order to prepare students to consider their choices beyond GCSE, an extensive career guidance programme has been established. Year 10 pupils undertook a two week work experience programme in the summer term of 2019. Pupils have taken advantage of trips to Universities and have been able to visit a variety of business organisations.

The school opened the co-educational sixth form in September 2019, with 55 pupils, offering an academic A level curriculum programme which will encourage students to enter university, including Oxford, Cambridge and other Russell Group institutions, or be recruited into professional careers or higher level apprenticeships.

In June 2019 the school's application to increase capacity by another 30 places a year was approved and in 2021 we intend to open a new Sixth Form centre a few yards along North Wharf Road. The Governors are grateful to Westminster City Council, the London Diocesan Board for Schools and the Department of Education for all their continued support.

The school has used Pupil Premium funding from the Department for Education to support disadvantaged students, who account for just over 50% of the pupil population. Funding is targeted at specific pupil groups through a full programme of interventions. To complement internally delivered intervention strategies, the school has been able to access a range of specific external support programmes to enhance its Pupil Premium offer.

***Going concern***

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy has adequate resources to continue its operational existence for the foreseeable future. For this reason it 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 Statement of Accounting Policies.



## **STRATEGIC REPORT** (continued)

### **Financial review**

#### ***Financial report for the period***

The Academy's total income for the year to 31 August 2019 amounted to £4,540,000 (2018: £31,210,000, or £4,006,000 excluding donated fixed assets) of which £224,000 related to the ESFA capital funding grants (2018: £350,000), £60,000 related to start up grants (2018 - £151,000).

The Academy held total fund balances of £27,432,000 at 31 August 2019 (2018 - £28,119,000). The general fund restricted balance at 31 August 2019, including the net pension liability in respect of the LGPS of £405,000 (2018: £190,000), was £317,000 (2018: £308,000). The unrestricted general fund balance at 31 August 2019 was £19,000 (2018: £7,000).

The results for the year are shown on page 20.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The governing body has a risk register which is reviewed twice per year in order to limit the Academy's exposure to risk. The risks fall into the following classifications; compliance, financial, operational, and strategic and reputational.

The principal risks identified are in relation to:

- ◆ Pupil recruitment to ensure that each year group is full. The school continues to deliver a targeted and impactful programme of ongoing student recruitment and engages with all potentially interested students and staff to build their interest in the school.
- ◆ Successful recruitment of sixth form pupils to ensure the school is able to deliver a viable and sustainable key stage 5 offer in a market with an over supply of sixth form places.
- ◆ Safeguarding and child protection – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline. In particular, with the move to the school's new permanent site, the physical safety of pupils in and around the building is being closely monitored.

### **Reserves policy**

The Governors will aim to set a balanced budget each year and retain reserves equivalent to 3 months of payroll costs, which equates to approximately £750,000, as a contingency for unforeseen circumstances including exceptional staff absence and ongoing servicing, repairs, maintenance and development of the Academy's estate and infrastructure.

As at 31 August 2019, the free reserves of the academy, the net pension liability in respect of the LGPS of £405,000, were £741,000, which is in line with the above policy.

**PRINCIPAL RISKS AND UNCERTAINTIES** (continued)

**Investment policy**

The governors are developing an investment policy which would enable the Academy to make better use of surplus funds, whilst maintaining adequate account balances to meet cash flow fluctuations.

**FUNDRAISING**

The Academy did not actively carry out any fundraising activity in the year other than for a designated charity for whom the academy is raising charitable donations, such as non-uniform days. The Trust does not engage with any commercial participators or professional fundraisers and no complaints were received during the year ended 31 August 2019.

**FUTURE ACTIVITIES AND PLANS**

Plans for the 2019-20 academic year centre around the delivery of a rigorous and academically challenging curriculum, in an environment where knowledge is valued and pupils feel safe and are encouraged to participate, coupled with the provision of a broad range of enrichment activities and preparation for the world of work.

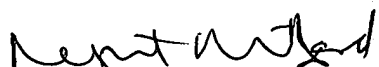
In June 2019 the school's application to increase capacity by another 30 places a year was approved and in 2021 we intend to open a new Sixth Form centre a few yards along North Wharf Road. The Governors are grateful to Westminster City Council, the London Diocesan Board for Schools and the Department of Education for all their continued support.

**AUDITOR**

In so far as the governors are aware:

- ♦ there is no relevant audit information of which the charitable company'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.

Governors' report, incorporating a strategic report, approved by order of the members of the board of governors and signed on its behalf by:

 (MARGARET MOUNTFORD)

Chair of governors

Date: 12/12/2019

**Scope of responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Marylebone School Limited 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 have 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 are 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 Accounting Officer is also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

**Review of value for money**

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy 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's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy has delivered and improved value for money during the year by:

***Contract Tender Process***

A full contract tender process for the supply of facilities management services to the school was commenced and during the year and completed in September. Through this process the school ensures best value for money and quality of service provision.

***Staffing Costs***

The school continues to review staffing levels and headcount to build a sustainable staffing cost base in a climate of funding uncertainty and rising employment costs.

***Managing capital expenditure carefully***

The school is funded by the Education and Skills Funding Agency for the establishment of premises, ICT and furniture fittings and equipment. The school has exercised restraint on capital expenditure while occupying temporary accommodation to ensure sufficient capital funding remained to be invested in our permanent site.

### **Governance**

The full Governing Body met monthly in term time and continued to hold the school to the vision of the founders. In addition, governors decided it was now appropriate to develop a committee structure to enable more detailed consideration of certain matters. The Audit, Finance, Curriculum and Assessment, and Human Resources and Management Committees will each meet at least twice a year, with the Human Resources and Remuneration Committee having already met once in the year to 31 August 2019. The number of full governing body meetings will be reduced to six, one every half-term, with an additional Strategy Afternoon. Four new governors were appointed during the course of the year and one since the year end, to replace retiring governors. The Governors wish to acknowledge the valuable contributions of Andrew Bailey, Tim Carnegie and Gary Howells throughout the school's formative years, and particularly the outstanding contribution of Sarah Clifford, who was Chair of Governors until her retirement in December 2018.

The information on governance included here supplements that described in the governors' report and in the Statement of Governors' responsibilities. The governors have formally met eight times during the year. Attendance during the year at governors' meetings was as follows:

<b>Governor</b>	<b>Number of meetings attended</b>	<b>Out of a possible</b>
Monica Alvarez Yu	5	8
Richard Ardron	8	8
Susan Arndt	8	8
Andrew Bailey	5	8
Andrew Barnes	1	3
Sarah Brendlor	7	8
Timothy Carnegie	2	8
Sarah Clifford	3	3
Antonia Cox	7	8
Gary Howells	2	7
Margaret Mountford	5	5
Emily Sargent	4	4
Troy Sharpe	—	—
Sophie Rogers	1	4
Jane Wilson	5	5

### **Governance review**

During the year, the governing body held a strategy session which included a review of the governors' vision for the school and its ethos.

A number of governors have responsibility for a specific area of school life ("link governor") with regular visits to school and updates at the governing body meetings. The effectiveness of the link governor system was reviewed and was found to be working effectively.

**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 in Marylebone School Limited for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

**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 a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2019 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 school's system of internal financial control for the year ended 31 August 2019 was designed to meet the requirements of an operational Academy. The school's system of internal financial control includes:

- ◆ Maintenance of a long term risks log, which is monitored on a regular basis by the Board of Governors;
- ◆ Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- ◆ Regular independent external review and systems testing of the schools' system of internal financial control;
- ◆ Clearly defined purchasing guidelines;
- ◆ Delegation of authority and segregation of duties; and
- ◆ Dual payment authorisation for all transactions.

The governors have considered the need for a specific internal audit function and have decided to appoint Buzzacott LLP as internal auditor. The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the auditor's reports are presented to the governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.


**Review of effectiveness**

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

- ♦ the work of the external auditor;
- ♦ scrutiny by the Finance Governor.

The Accounting Officer will advise the board of governors of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governors and signed on their behalf by:

  
(MARGARET MOUNTFORD)  
(Chair of governors)

  
(RICHARD ALDERSON)  
(Accounting Officer)

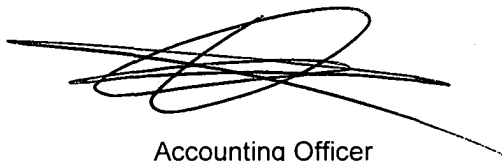
Approved on: 12/12/2019

**Statement on regularity, propriety and compliance** 31 August 2019

As Accounting Officer of Marylebone School Limited, I have considered my responsibility to notify the Academy board of governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy board of governors are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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 ESFA.



(RICHARD ALDROW)

Accounting Officer

Date: 12/12/2019

## Statement of governors' responsibilities 31 August 2019

The governors (who act as trustees for the charitable activities of Marylebone School Limited 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 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:

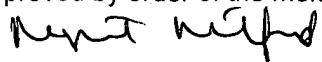
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 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 have been applied for the purposes intended.

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

Approved by order of the members of the governing body and signed on its behalf by:

 (MARGARET MOUNTFORD)

Chair of governors

Date: 12/12/2019



**Independent auditor's report to the members of Marylebone School Limited**

**Opinion**

We have audited the financial statements of Marylebone School Limited (the 'charitable company') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the 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 2018 to 2019.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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 2018 to 2019.

**Basis for opinion**

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

**Conclusions relating to going concern**

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
- ◆ the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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, which is also the directors' report for the including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report including the strategic report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records or 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 trustees**

As explained more fully in the governors' responsibilities statement, the governors 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.

**Responsibilities of trustees**

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

**Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

17 December 2019

**Independent reporting accountant's assurance report on regularity to Marylebone School Limited and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 25 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Marylebone School Limited during the period from 1 September 2018 to 31 August 2019 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 Marylebone School Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Marylebone School Limited 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 Marylebone School Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Marylebone School Limited Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Marylebone School Limited funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 on regularity 31 August 2019

### 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'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'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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

*17 December 2019*

**Statement of financial activities** Year to 31 August 2019  
(including the income and expenditure account)

		Restricted funds				
	Notes	Un-restricted funds £'000	General fund £'000	Fixed assets fund £'000	2019 Total funds £'000	2018 Total funds £'000
<b>Income from:</b>						
Donations and capital grants	1	8	—	224	232	27,557
Charitable activities						
Funding for the Academy's educational operations	4	—	4,296	—	4,296	3,645
Other trading activities	2	11	—	—	11	7
Investments	3	1	—	—	1	1
<b>Total income</b>		<u>20</u>	<u>4,296</u>	<u>224</u>	<u>4,540</u>	<u>31,210</u>
<b>Expenditure on:</b>						
Raising funds	5	8	—	—	8	7
Charitable activities						
Academy's educational operations	6	—	4,193	934	5,127	6,938
<b>Total expenditure</b>		<u>8</u>	<u>4,193</u>	<u>934</u>	<u>5,135</u>	<u>6,945</u>
<b>Net income (expenditure) before transfers</b>		12	103	(710)	(595)	24,265
<b>Transfers between funds</b>	15	—	(2)	2	—	—
<b>Net income (expenditure)</b>		<u>12</u>	<u>101</u>	<u>(708)</u>	<u>(595)</u>	<u>24,265</u>
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	19	—	(92)	—	(92)	82
<b>Net movement in funds</b>		12	9	(708)	(687)	24,347
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 September 2018		7	308	27,804	28,119	3,772
<b>Fund balances carried forward at 31 August 2019</b>		<u>19</u>	<u>317</u>	<u>27,069</u>	<u>27,432</u>	<u>28,119</u>

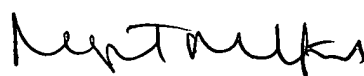
All of the charitable company's activities derived from continuing operations during the above two financial periods.

The charitable company has no recognised gains and losses other than those shown above.

# Balance sheet 31 August 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Fixed assets</b>					
Tangible fixed assets	12		27,096		27,804
<b>Current assets</b>					
Debtors	13	244		506	
Cash at bank and in hand		1,418		1,218	
		<u>1,662</u>		<u>1,724</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(921)		(1,219)	
<b>Net current assets</b>			<u>741</u>		<u>505</u>
<b>Net assets excluding pension liability</b>			<u>27,837</u>		<u>28,309</u>
Pension scheme liability	19		(405)		(190)
<b>Total net assets</b>			<u>27,432</u>		<u>28,119</u>
<b>Restricted funds</b>					
Fixed assets fund	15		27,096		27,804
Restricted income fund	15		722		498
Pension reserve	15		(405)		(190)
			<u>27,008</u>		<u>28,112</u>
<b>Unrestricted income funds</b>					
General fund	15		19		7
<b>Total funds</b>			<u>27,432</u>		<u>28,119</u>

The financial statements on pages 20 to 42 were approved by the Governors, and authorised for issue on 6 December 2019 and are signed on their behalf by:

 (MARGARET MOUNTFORD)

Chair of governors

Marylebone School Limited  
Company Limited by Guarantee  
Registration Number: 08339142 (England and Wales)

# Statement of cash flows Year to 31 August 2019

		2019 £'000	2018 £'000
<b>Net cash inflow from operating activities</b>			
Net cash provided by operating activities	A	92	459
<b>Cash flows from investing activities</b>			
	B	108	(125)
<b>Change in cash and cash equivalents in the year</b>		<b>200</b>	<b>334</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2018		1,218	884
Cash and cash equivalents at 31 August 2019	C	1,418	1,218
<b>A Reconciliation of income (expenditure) to net cash flow from operating activities</b>			
		2019 £'000	2018 £'000
Net income for the year (as per the statement of financial activities)		(595)	24,265
<b>Adjusted for:</b>			
Depreciation charges (note 12)		825	3,308
Capital grants from DfE/ ESFA		(224)	(350)
Donated tangible fixed assets		—	(27,204)
Interest receivable (note 3)		(1)	(1)
Defined benefit pension scheme cost less contributions payable (note 19)		119	133
Defined benefit pension scheme finance cost (note 19)		4	2
Decrease (increase) in debtors		263	(392)
(Decrease) increase in creditors		(298)	696
<b>Net cash provided by operating activities</b>		<b>92</b>	<b>459</b>
<b>B Cash flows from investing activities</b>			
		2019 £'000	2018 £'000
Dividends, interest and rents from investments		1	1
Purchase of tangible fixed assets		(117)	(27,680)
Donated tangible fixed assets		—	27,204
Capital grants from DfE/ESFA		224	350
<b>Net cash provided by investing activities</b>		<b>108</b>	<b>(125)</b>
<b>C Analysis of cash and cash equivalents</b>			
		2019 £'000	2018 £'000
<b>Cash and cash equivalents: Cash at bank and in hand</b>		<b>1,418</b>	<b>1,218</b>



**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, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Marylebone School Limited 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 and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income recognition**

All incoming resources are recognised when the Academy 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.

**Income recognition** (continued)

**Grants** (continued)

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.

**Donated fixed assets**

Where the Academy receives donated goods that are a fixed asset, they are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. It is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the accounting policies set out below.

**Gifts in kind**

The value of gifts in kind relating to accommodation provided to the Academy free of charge is recognised at open market value in the period in which it is receivable and where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities.

**Other income**

Other income, including income from catering, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

**Expenditure recognition**

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. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

**Expenditure on raising funds**

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**Charitable activities**

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

All expenditure is stated net of recoverable VAT.

### **Tangible fixed assets**

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 of each asset on a straight-line basis over its expected useful economic life, as follows:

◆ Leasehold buildings and improvements	50 years straight line
◆ Fixtures, fittings and equipment	5 years straight line
◆ ICT equipment	3 years straight line

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.

### **Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 as detailed in note 13. Prepayments are not financial instruments.

*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 as detailed in note 14. 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.

### **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 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.

### **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.

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 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 19, 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.

**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 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 net book value of tangible fixed assets is based on the original cost of the asset net of provision for depreciation. The depreciation provision to date is based on the governors' assessment of the estimated useful economic lives of such assets.

The value of donated building space has been assigned a notional rent. The estimate of this rent has been benchmarked against market rates.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

***Critical areas of judgement***

Other than the estimates discussed above, the governors do not consider that there are any key judgements made in the preparation of the financial statements.

## Notes to the financial statements Year to 31 August 2019

### 1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Capital grants	—	224	224
Other donations	8	—	8
	<u>8</u>	<u>224</u>	<u>232</u>

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2018 Total funds £'000
Capital grants	—	350	350
Donated fixed assets	—	27,204	27,204
Donated building space	—	—	—
Other donations	3	—	3
	<u>3</u>	<u>27,554</u>	<u>27,557</u>

### 2 Other trading activities

	Unrestricted funds £'000	Restricted general funds £'000	2019 Total funds £'000
Miscellaneous income	11	—	11

	Unrestricted funds £'000	Restricted general funds £'000	2018 Total funds £'000
Miscellaneous income	7	—	7

### 3 Investment income

	Unrestricted funds £'000	Restricted general funds £'000	2019 Total funds £'000
Interest receivable	1	—	1

**Notes to the financial statements** Year to 31 August 2019

**3 Investment income (continued)**

	Unrestricted funds £'000	Restricted general funds £'000	2018 Total funds £'000
<i>Interest receivable</i>	1	—	1

**4 Funding for the Academy's educational operations**

	Unrestricted funds £'000	Restricted general funds £'000	2019 Total funds £'000
<b>DfE / ESFA grants</b>			
· General Annual Grant (GAG)	—	3,700	3,700
· Start Up Grants	—	60	60
· Pupil Premium Grant	—	233	233
· Other ESFA/DFE Grants	—	171	171
	—	4,164	4,164
<b>Other Government grants</b>			
· Local authority grants	—	64	64
	—	64	64
Other income from the Academy's educational operations	—	68	68
	—	4,296	4,296

	Unrestricted funds £'000	Restricted general funds £'000	2018 Total funds £'000
<b>DfE / ESFA grants</b>			
· General Annual Grant (GAG)	—	3,042	3,042
· Start Up Grants	—	151	151
· Pupil Premium Grant	—	202	202
· Other ESFA/DFE Grants	—	14	14
	—	3,409	3,409
<b>Other Government grants</b>			
· Local authority grants	—	94	94
	—	94	94
Other income from the Academy's educational operations	—	142	142
	—	3,645	3,645

# Notes to the financial statements Year to 31 August 2019

## 5 Expenditure

	Staff costs £'000	Non pay expenditure		Total 2019 £'000
		Premises costs £'000	Other costs £'000	
Expenditure on raising funds				
. Direct costs	—	—	6	6
. Support costs	1	1	—	2
Academy's educational operations (note 6)				
. Direct costs	2,434	540	431	3,405
. Allocated support costs	629	636	457	1,722
	<u>3,064</u>	<u>1,177</u>	<u>894</u>	<u>5,135</u>

	Staff costs £'000	Non pay expenditure		Total 2018 £'000
		Premises costs £'000	Other costs £'000	
Expenditure on raising funds				
. Direct costs	—	—	6	6
. Support costs	1	—	1	2
Academy's educational operations (note 6)				
. Direct costs	1,921	3,178	357	5,456
. Allocated support costs	644	378	459	1,481
	<u>2,566</u>	<u>3,556</u>	<u>823</u>	<u>6,945</u>

Net income for the period includes:

	Total 2019 £'000
Operating lease rentals	10
Depreciation	824
Fees payable to auditor for	
. Audit	12
. Other services	10
	<u>846</u>
	Total 2018 £'000
Operating lease rentals	2
Depreciation	3,309
Fees payable to auditor for	
. Audit	10
. Other services	10
	<u>3,331</u>



**Notes to the financial statements** Year to 31 August 2019

**6 Charitable activities – Academy's educational operations**

	<b>2019 Total funds £'000</b>	<b>2018 Total funds £'000</b>
Direct costs	<b>3,405</b>	5,456
Support costs	<b>1,722</b>	1,482
	<b>5,135</b>	<b>6,938</b>

	<b>2019 Total funds £'000</b>	<b>2018 Total funds £'000</b>
<b>Analysis of support costs</b>		
Support staff costs	<b>629</b>	645
Depreciation	<b>284</b>	131
Technology costs	<b>91</b>	90
Premises costs	<b>462</b>	247
Other support costs	<b>233</b>	342
Governance costs	<b>23</b>	26
<b>Total support costs</b>	<b>1,722</b>	<b>1,481</b>

## Notes to the financial statements Year to 31 August 2019

### 7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2018 between restricted and unrestricted funds:

		Restricted funds			
	Notes	Un-restricted funds £'000	General fund £'000	Fixed assets fund £'000	2018 Total funds £'000
<b>Income from:</b>					
Donations and capital grants	1	3	—	27,554	27,557
Charitable activities					
Funding for the Academy's educational operations	4	—	3,645	—	3,645
Other trading activities	2	7	—	—	7
Investments	3	1	—	—	1
<b>Total income</b>		<b>11</b>	<b>3,645</b>	<b>27,554</b>	<b>31,210</b>
<b>Expenditure on:</b>					
Raising funds	5	7	—	—	7
Charitable activities					
Academy's educational operations	6	—	3,629	3,309	6,938
<b>Total expenditure</b>	5	<b>7</b>	<b>3,629</b>	<b>3,309</b>	<b>6,945</b>
<b>Net income (expenditure) before transfers</b>		<b>4</b>	<b>16</b>	<b>24,245</b>	<b>24,265</b>
<b>Transfers between funds</b>	15	<b>—</b>	<b>(126)</b>	<b>126</b>	<b>—</b>
<b>Net income (expenditure)</b>		<b>4</b>	<b>(110)</b>	<b>24,371</b>	<b>24,265</b>
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	19	—	82	—	82
<b>Net movement in funds</b>		<b>4</b>	<b>(28)</b>	<b>24,371</b>	<b>24,347</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 September 2017		3	336	3,433	3,772
<b>Fund balances carried forward at 31 August 2018</b>		<b>7</b>	<b>308</b>	<b>27,804</b>	<b>28,119</b>

## Notes to the financial statements Year to 31 August 2019

### 8 Governors' remuneration and expenses

The governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors.

During the year ended 31 August 2019, no expenses were reimbursed to any governors (2018 - £nil).

Other related party transactions involving the governors are set out in note 10 and 18.

### 9 Staff costs

#### (a) Staff costs

Staff costs during the period were:

	2019 Total funds £'000	2018 Total funds £'000
Wages and salaries	2,295	1,827
Social security costs	239	191
Pension costs	448	413
	<b>2,982</b>	<b>2,431</b>
Supply staff costs	82	135
	<b>3,064</b>	<b>2,566</b>

#### (b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2019 was as follows:

Charitable activities	2019 No.	2018 No.
Teachers	34	31
Administration support	28	20
Management	1	1
	<b>63</b>	<b>52</b>

#### (c) Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	1	—
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<b>3</b>	<b>2</b>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 employer's pension contributions for these staff amounted to £38,203 (2018: £27,174).

## Notes to the financial statements Year to 31 August 2019

### 9 Staff costs (continued)

#### (d) Key management personnel

The key management personnel of the Academy comprise the governors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £558,095 (2018: £484,753), relating to six (2018 – five) members of the Senior Leadership Team and two (2018 – one) staff governors who were not part of the Senior Leadership Team.

### 10 Governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as a governor. 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 and other benefits, during their time as trustee, was as follows:

	2019 £'000	2018 £'000
Richard Ardron (Headteacher and Governor)		
. Remuneration	90 – 95	90 – 95
. Employer's pension contributions	15 – 20	15 – 20
Emily Sargent (Staff Governor)		
. Remuneration	20 – 25	—
. Employer's pension contributions	0 – 5	—
Sophie Rogers (Staff Governor)		
. Remuneration	0 – 5	40 – 45
. Employer's pension contributions	0 – 5	5 – 10

### 11 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the governors' and officers' indemnity element from the overall cost of the RPA scheme.

## Notes to the financial statements Year to 31 August 2019

### 12 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture, and equipment £'000	Computer equipment £'000	Total funds £'000
<b>Cost</b>				
At 1 September 2018	26,803	870	531	28,204
Additions	72	40	5	117
At 31 August 2019	26,875	910	536	28,321
<b>Depreciation</b>				
At 1 September 2018	—	84	317	401
Charge in year	540	182	102	824
At 31 August 2019	540	266	419	1,225
<b>Net book value</b>				
At 31 August 2019	26,335	644	117	27,096
At 31 August 2018	26,803	786	214	27,803

### 13 Debtors

	2019 £'000	2018 £'000
Trade debtors	8	—
VAT recoverable	26	99
Capital grant debtor	91	368
Other debtors	70	—
Prepayments and accrued income	49	39
	<b>244</b>	<b>506</b>

### 14 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	170	440
Taxation and social security	63	50
VAT creditor	—	61
ESFA creditor: abatement of GAG	107	49
Capital creditors	172	241
Other creditors	41	36
Accruals and deferred income	368	342
	<b>921</b>	<b>1,219</b>

## Notes to the financial statements Year to 31 August 2019

### 15 Restricted funds

	At 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	379	3,700	(3,354)	(2)	722
Start Up Grant	120	60	(180)	—	—
Pupil Premium	—	233	(233)	—	—
Other grants	—	303	(303)	—	—
Pension reserve	(190)	—	(123)	(92)	(405)
	309	4,296	(4,193)	(94)	317
<b>Restricted fixed asset funds</b>					
Donated assets	27,204	—	(539)	—	26,665
DfE/ESFA capital grants	471	224	(336)	—	359
Capital expenditure from GAG	129	—	(59)	2	72
	27,804	224	(934)	2	27,096
<b>Total restricted funds</b>	<b>28,113</b>	<b>4,520</b>	<b>(5,127)</b>	<b>(92)</b>	<b>27,413</b>
<b>Unrestricted funds</b>					
General funds	7	20	(8)	—	19
<b>Total unrestricted funds</b>	<b>7</b>	<b>20</b>	<b>(8)</b>	<b>—</b>	<b>19</b>
<b>Total funds</b>	<b>28,120</b>	<b>4,540</b>	<b>(5,135)</b>	<b>(92)</b>	<b>27,432</b>

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

#### **ESFA revenue grant fund and other restricted funds**

##### **General Annual Grant (GAG)**

Under the funding agreement with the secretary of state, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

##### **Fixed asset fund**

These funds are for the purchase of fixed assets.

# Notes to the financial statements Year to 31 August 2019

## 15 Restricted funds (continued)

### Comparative information

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

	At 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	414	3,042	(2,951)	(126)	379
Start Up Grant	60	151	(91)	—	120
Pupil Premium	—	202	(202)	—	—
Other government grants	—	14	(14)	—	—
Other grants	—	236	(236)	—	—
Pension reserve	(137)	—	(135)	82	(190)
	<u>337</u>	<u>3,645</u>	<u>(3,629)</u>	<u>(44)</u>	<u>309</u>
<b>Restricted fixed asset funds</b>					
Donated assets	—	27,204	—	—	27,204
DfE/ESFA capital grants	3,430	350	(3,309)	—	471
Capital expenditure from GAG	3	—	—	126	129
	<u>3,433</u>	<u>27,554</u>	<u>(3,309)</u>	<u>126</u>	<u>27,804</u>
<b>Total restricted funds</b>	<u>3,769</u>	<u>31,199</u>	<u>(6,938)</u>	<u>82</u>	<u>28,112</u>
<b>Unrestricted funds</b>					
General funds	3	11	(7)	—	7
<b>Total unrestricted funds</b>	<u>3</u>	<u>11</u>	<u>(7)</u>	<u>—</u>	<u>7</u>
<b>Total funds</b>	<u>3,773</u>	<u>31,210</u>	<u>(6,945)</u>	<u>82</u>	<u>28,120</u>

## 16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2019 £'000
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	—	—	27,096	27,096
Current assets	19	1,643	—	1,662
Current liabilities	—	(921)	—	(921)
Pension scheme liability	—	(405)	—	(405)
<b>Total net assets</b>	<b>19</b>	<b>317</b>	<b>27,096</b>	<b>27,432</b>

## 17 Members' Liability

Each member of the charitable company 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.

## 18 Related party transactions

Owing to the nature of the Academy'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's financial regulations and normal procurement procedures.

The trust procured services from the London Diocesan Board for Schools (LDBS) during the year, which is a corporate member of the Academy and a charitable organisation (charity registration number 313000).

The Academy paid LDBS for DBS checking, school support and recruitment support totalling £2,341 during the year ended 31 August 2019 (2018 - £3,188).

There is a formal agreement in place that LDBS provides services at cost to the Academy.

The Academy has complied with the requirements of the ESFA's Academies Financial Handbook when entering into the above transactions.



**19 Pension and similar obligations**

The Academy's 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 City of Westminster Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £40,788 were payable to the schemes at 31 August 2019 (2018 - £35,572) 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. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Academy Trust has set out above the information available on the plan and the implications for the Academy Trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

**19 Pension and similar obligations (continued)**

***Teachers' Pension Scheme (continued)***

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £261,000 (2018: £195,000).

***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 2019 was £95,000 (2018: £99,000), of which employer's contributions totalled £68,000 (2018: £71,000) and employees' contributions totalled £27,000 (2018: £28,000). The agreed contribution rates for future years are 16.3% for employers and 5.8% to 8.5% for employees, depending on the salary band.

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

	At 31 August 2019	At 31 August 2018
<b>Principal Actuarial Assumptions</b>		
Rate of increase in salaries	3.65%	3.8%
Rate of increase for pensions in payment / inflation	2.15%	2.3%
Discount rate for scheme liabilities	1.90%	2.7%
Commutation of pensions to lump sums	50%	50%

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 2019	At 31 August 2018
<i>Retiring today</i>		
Males	23.4	24.5
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	25.1	26.8
Females	26.6	28.5

**Notes to the financial statements** Year to 31 August 2019

**19 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS)*** (continued)

The below changes in assumptions would increase (decrease) the net pension liability as follows:

	At 31 August 2019 £'000	At 31 August 2018 £'000
Sensitivity analysis		
Discount rate +0.1%	(24)	(14)
Discount rate -0.1%	24	14
Mortality assumption – 1 year increase	31	16
Mortality assumption – 1 year decrease	(31)	(16)
Pension increase +0.1%	24	16
Pension decrease -0.1%	(24)	(16)

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	324	246
Bonds	66	43
Property	45	28
Cash and other liquid assets	—	2
Total market value of assets	435	319

The actual return on scheme assets was £21,000 (2018: £12,000).

	2019 £'000	2018 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	170	204
Past service cost	17	—
Interest income	(10)	(7)
Interest cost	14	9
Total amount recognised in the SOFA	191	206

**Notes to the financial statements** Year to 31 August 2019

**19 Pension and similar obligations** (continued)

**Local Government Pension Scheme (LGPS)** (continued)

Changes in the present value of defined benefit obligations were as follows:	2019 £'000	2018 £'000
At 1 September 2018	509	341
Current service cost	170	204
Past service cost	17	—
Interest cost	14	9
Employee contributions	27	28
Actuarial loss (gain)	103	(77)
Benefits paid	—	4
<b>At 31 August 2019</b>	<b>840</b>	<b>509</b>

Changes in the fair value of the Academy's share of scheme assets:	2019 £'000	2018 £'000
At 1 September 2018	319	204
Interest income	10	7
Actuarial gain	11	5
Employer contributions	68	71
Employee contributions	27	28
Benefits paid	—	4
<b>At 31 August 2019</b>	<b>435</b>	<b>319</b>

**20 Capital commitments**

	2019 £'000	2018 £'000
Contracted for, but not provided in the financial statements	—	4

**21 Commitments under operating leases**

The Academy has the following commitments for equipment

Due within	2019 £'000	2018 £'000
Under one year	12	12
Between one and five years	24	31
	<b>36</b>	<b>43</b>