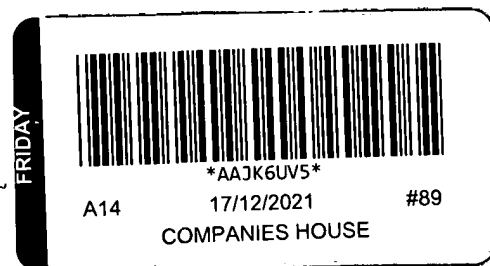


Company Registration Number: 7700776 (England & Wales)

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

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THE LONDON ORATORY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Very Revd Julian Large The Revd George Bowen The Revd Rupert McHardy The Revd Michael Lang The Rev Edward van den Burgh
Governors	Heather Alston Charles Doyle ¹ Andrew Zarraga, Chair ¹ Daniel Wright, Headmaster ¹ Peter Ward (resigned 7 February 2021) Bridget Tusaud Dominic Sullivan Vera Pellegrin ¹ Gerard O'Doherty ¹ Paolo Manca ¹ The Very Revd Julian Large Mrs Rosa Kummelstedt Ward McKimm ¹ Paul Harrington ¹ Hemish Gunasekara Rajive Samarasinhe (appointed 12 November 2020) ¹ ¹ Member of the Finance & Resources Committee
Company registered number	7700776
Company name	The London Oratory School
Principal and registered office	Seagrave Road London SW6 1RX
Company Secretary and Clerk to the Governors	Peter Sircar
Senior management team	Daniel Wright, Headmaster Miss Pauline Devereux, Deputy Headmaster Danny Rooney, Deputy Headmaster Miss Ellis Devaney, Assistant Head Dr Gary Howells, Assistant Head Stefan Marty, Assistant Head Peter Sircar, Director of Finance and Operations
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The London Oratory School is an academy for pupils aged 7 to 18 serving the whole of Greater London. There were 1,359 pupils on roll as on census day, 07 October 2021.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association together with the Funding Agreement entered into with the Secretary of State dated 1 August 2011 are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of The London Oratory School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as The London Oratory School.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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 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.

c. Trustees' indemnities

The School's insurance policy covers Professional Indemnity and Directors (or Governors) & Officers Liability. The Indemnity Limit for these insurances is £10 million any one occurrence, but in the annual aggregate. The Professional Indemnity protects the school in respect of claims against it for negligence, errors or omissions. The Directors & Officers Liability covers individual Directors, Governors, Trustees or Officers in respect of their personal liability for any Wrongful Acts. There are no other specific third party indemnities beyond this which require reporting in the context of section 236 of the Companies Act 2006.

d. Method of recruitment and appointment or election of Governors

The Trustees of the London Oratory Charity shall appoint a minimum of nine Governors. The Trustees may appoint two Staff Governors through such process as it may determine. The Headmaster shall be treated for all purposes as being an ex officio Governor.

The Parent Governors shall be 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 is elected. The Governing Body shall make all necessary arrangements for, and determine 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 shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he 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 Governing Body shall take such steps as are reasonably practical to ensure that every person who is known then 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 is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Governing Body shall appoint a person who is the 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.

The Governors appointed 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' means 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 Headmaster).

The term of office for any Governor (other than Co-opted Governors) shall be four years, save that:

- this time limit shall not apply to the Headmaster; and
- a Staff Governor shall only hold office for so long as he continues to be employed as a teacher or member of support staff as the case may be.

(Appointed governors are selected by reference to their eligibility, personal competence and specialist skills.)

e. Policies adopted for the induction and training of Governors

On appointment Governors attend an induction programme and are inducted into their roles. During the year governors may attend courses suitable to their role.

f. Organisational structure

The organisational structure of the Academy consists of two levels:

- The Governing Body, which includes the Headmaster
- The Senior Staff group, as outlined below

An aim of the management structure is to distribute leadership and responsibility and encourage involvement in decision making at all levels as well as to ensure good practice in terms of professional development.

The Governing Body is responsible for the strategy adopted by the Academy, which is effected by the Headmaster and the Senior Staff.

The Governing Body has two main committees, namely:

- a. Finance and Resources (F&R)
- b. Academic and Pastoral (A&P)

Complaints panels and exclusion review committees are constituted from across the Governing Body in response to need. Admissions Appeals panels are appointed by the Governing Body, but independent of the Governing Body. The London Oratory Foundation (the Foundation) is a separate committee that meets to raise funds for capital works projects (buildings).

The Headmaster sits on each of the committees. The table below sets out the core functions and remit of each of the groups, which are not exclusive nor exhaustive to each particular committee:

THE LONDON ORATORY SCHOOL
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Governing Body & Committees	Core Functions
Governing Body	Strategy, Admissions, Attendance, Organisational Design, Identity, Ethos and Culture
Finance and Resources	Finance and Budgeting, Audit, Staff Pay, Estates and Premises, Health and Safety, GDPR and FOI, Risk Strategy, Lettings, IT infrastructure. Staff Recruitment, Retention, Redundancy and Appraisal, Staff Conduct and Capability, Staff Grievances, Single Central Register and Vetting checks, Equalities, Complaints, Succession Planning, Headmaster Appraisal.
Academic and Pastoral	Catholic Character Formation, including Section 48 Inspections, Chaplaincy, Curriculum Planning and Evaluation, Teaching, SEN, Pupil Premium, Discipline, Equalities (pupils), Child Protection and Safeguarding, Home School Agreement, Relationship and Sex Education, Journeys, Supporting Pupils with Medical Conditions and Mental Health, OFSTED

The Senior Staff group comprised of the Headmaster, the two Deputy Headmasters, three Assistant Heads and the Director Finance & Operations. The group meets daily. This group manages the Academy at an executive level implementing the policies laid down by the Governing Body and reporting back to them. As a group, the Senior Staff are responsible for the authorisation of spending within agreed budgets and the appointment of staff, except Senior Staff. Some spending control is devolved to other members of staff including Heads of Department.

g. Arrangements for setting pay and remuneration of key management personnel

The key management personnel are defined as the Governing Body and the Senior Staff Group at the School. Trustees (Governors) are not paid for their work as Trustees, although three members of the Governing Body are employed at the school.

There is a three point scale for Assistant Heads and a three point scale for Deputy Headmasters as detailed in the School's Pay and Conditions document. New appointees to the Senior Staff group will be placed on the first point of the appropriate scale, unless they bring with them upon appointment previous relevant experience. A newly appointed Assistant Head who has previous experience as an Assistant Head or a newly appointed Deputy Headmaster who has previous experience as Deputy Headmaster shall be awarded one incremental point for each year of service which he or she has completed in the respective post, up to a maximum of two. After twelve months, members of the Senior Staff group will rise to the next point on their respective scale up to a limit of ST3 for Assistant Head and DH3 for Deputy Headmasters. When this scale was developed in 2011 it was benchmarked against other large state secondary schools in London. The Governing Body, on the appointment of an Assistant Head or Deputy Headmaster, may determine that he shall be paid by reference to a point higher than that authorised by the conditions above where it considers it appropriate, having regard to any qualifications or experience the Teacher may have which the Governing Body considers to be of value in the performance of his duties. Pay awards for Senior Staff are determined each year, at the same time as for other staff, by the F&R Committee.

The pay and remuneration of the Headmaster is determined by the Governing Body. This is benchmarked by way of reference to other schools at the time.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

a. Objects and aims

The School is part of the Catholic Church. It is conducted as a Catholic School in accordance with the canon law and teachings of the Roman Catholic Church and the trust deed of the London Oratory Charity and, in particular:

- religious education is to be in accordance with the teachings, doctrines, discipline and general and particular norms of the Catholic Church;
- religious worship is to be in accordance with the rites, practices, discipline and liturgical norms of the Catholic Church;
- and at all times, the school is to serve as a witness to the Catholic faith in Our Lord Jesus Christ.

The School aims to assist Catholic parents in fulfilling their obligation to educate their children in accordance with the principles and teachings of the Church; to do this within an environment which will encourage and support the spiritual, physical, moral and intellectual development of the child and help him to grow towards full Christian maturity; and to provide a wide and rich range of educational and cultural experiences which will encourage children to discover and develop their potential to its maximum and to strive for high standards of excellence in all activities.

b. Objectives, strategies and activities

Distinctively Catholic

1. To be a flagship school for the Catholic character formation of pupils, fitting them to move with courage, thoughtfulness and decency in a globally interconnected world
2. To be a school with varied, unique and distinctive opportunities for pupil growth and contribution, especially in the fields of sport, music, drama and adventure-based learning
3. To be a highly efficient, well-structured and well-ordered school, staffed with empathetic, energetic and expert staff, actively committed to excellence in all curriculum and professionally relevant fields
4. To be a school with first class, tasteful and inspiring educational facilities
5. To be an open, communicative and collaborative school within the Oratorian charism, engaging positively with the challenge of faithful living and working in the 21st century
6. To capture the affection, loyalty and active support of pupils, parents and supporters, past, present and future, to sustain and build a supportive community over time, living out the meaning of 'heart speaking to heart'

c. Public benefit

The primary purpose of The London Oratory School is the advancement of education of its pupils who are drawn from across the Greater London area. Inextricably linked with this purpose is the aim of contributing to the public good. With this in mind, and in setting the Academy's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. In particular, through the provision of incidental and other activities, the Academy aims to contribute considerable benefit to the local community.

The School's ethos and expectations are built on our shared Christian values and promote a strong respect for the dignity of each individual irrespective of diversity, and encourages all pupils to actively engage with others and in doing so, to understand what they all hold in common and thus contribute to the local community. The School interfaces with external communities to provide reasonable means to interact with people from different backgrounds and build positive relations. In addition to the above, the school makes a specific significant contribution to external communities and in doing so promotes community cohesion.

For example (COVID permitting):

- The School offers an extensive range of interschool activities including Sports, Arts and Cultural pursuits such as debating and Model United Nations with schools both locally, throughout the UK and internationally.
- The School performs short music concerts at the local hospital from time to time and puts on an annual Carol service at the Cardinal Hume Centre for vulnerable young people every Christmas.
- The School raises money for the Catholic Children's Society and Aid to the Church in Need every year.
- The Schola choir supports other fundraising activities for Aid to the Church in Need.
- The School has numerous activities with local primary schools, such as supporting pupils at the local school for

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

- autistic children and primary school reading support.
- Pupils participating in the Duke of Edinburgh's Award Scheme provide voluntary support in their local communities and parishes.
- The School has been twinned with an orphanage boarding school in Rwanda (Dom Bosco) and helps to support all aspects of its school curriculum and teacher development
- The School has an established history of fundraising by its pupils for local and international charities
- The School makes available its facilities, in particular the John McIntosh Arts Centre, to a variety of community based Arts and Theatre groups.
- Pupils work with senior citizens, for example at the nearby care home.
- Parents and The London Oratorians use facilities for events and rehearsals.
- Pupils and staff help at the Passage Centre for the homeless, preparing and serving food and spending time with clients.
- Through the School's counselling service, in-house Family Liaison work is offered to parents free of charge

The above provision ensures that the school has a significant impact on pupils' levels of understanding of others, social responsibility and the importance of valuing diversity; its ethos and the promotion of equality; the participation within relationships between all members of the school community.

Strategic report

Achievements and performance

a. Key performance indicators

The Key Financial Indicators used by the Governors to assess the Performance of the School are these:

- Staff : pupil ratio
- Funding level received per pupil
- The level of success the School has in accessing other funding opportunities, including capital grants

The School monitors its performance against these KFPIs as follows:

- The staff : pupil ratio has remained consistent, with little deviance.
- Contact ratio is 0.75
- The funding level per pupil has decreased in real terms. The F&R committee monitors this every year as the budget is set. The governors are aware of the financial pressures which is why they launched the Foundation in order to secure further finances.
- Capital Grant applications have generally been successful recently, but the governors are not complacent and continue to apply for funding when opportunities arise.

b. Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

c. Impact of COVID on teaching

On-site education in all its forms was severely impeded by COVID disruption throughout the period 1 September 2020-31 August 2021. Throughout, the School worked to mitigate and minimise the risks, balancing out the need to maintain a high quality of teaching with the need to maintain a safe environment.

- In the context of National Lockdown 2, the second half of the Michaelmas Term saw large scale self-isolation of pupils
- Staff absence was minimal throughout the period, with staff rallying to ensure the operational viability of on-site education
- On-site education in Lent Term 2021 did not commence until 8 March, due to national school closure. All pupils were back in school at the earliest opportunity, on 8 March, after 2 x teams of mass lateral flow testing ran some 3000 tests
- The second half of the Trinity Term also saw a resurgence of COVID and self-isolation cases
- Throughout, a full teaching timetable was delivered both on-site and remotely via MS Teams for those pupils and staff who had to self-isolate; the technological gains made during Lockdown 1 were consolidated and further developed, with online parents' evenings, Open Evenings, festive events and other information events
- Additional COVID funding was used to off-set extraordinary COVID costs and to ensure that disadvantaged pupils received full technological support
- With the cancellation of examinations, the School engaged fully in the Teacher Assessed Grades process, to exceptional outcomes
- The School still managed to stage 3 x whole school productions for year group bubbles; socially distanced music events also took place in line with guidance
- Staff development focused on School Improvement with a particular focus on Long Term and Medium Term Curriculum Planning
- Leadership and management time was dominated by the handling of COVID related issues and worked above and beyond to ensure a high standard of educational continuity

d. Achievements and performance

Percentage of Pupils at KS4 who achieved five or more A* - C grades, or 4 and above, including English and Mathematics.

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020 CAG	2021 TAG
Percentage	90.96	86.96	84.88	88.10	87.36	92.09	85.55	90	96	97

Average points scored at KS5

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Points (new)	-	-	-	141.96	166.57	151.72	144.91	135.8	157.1	157.8
Points (old)	377.25	372.82	350.44	362.83	397.02	374.50	-	-	-	-

Teacher Assessed Grades for 2021 came in exceptionally strong. These figures, however, do not form part of external quality assurance data. Issues therefore highlighted in the 2019 results retain a degree of relevance. In 2019, there were localised issues in Mathematics and French, which are being tackled through our internal quality, monitoring and reporting processes. From September 2021 and January 2022, leadership of those areas has shifted, as has the underlying teams involved in delivering the teaching. CAG/TAG are deemed irrelevant from an external quality assurance (Ofsted) point of view.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

Most of the Trust's income is obtained from the Department for Education (DfE) principally in the form of a recurrent annual grant, the use of which is restricted to cover the normal running costs of the Academy. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the year ending 31 August 2021, total income of £10,278,825 (excluding restricted fixed asset funds) was less than expenditure of £10,542,149 (excluding fixed asset costs) by £263,324.

a. Reserves policy

At 31 August 2021 the Academy held unrestricted reserves of £442,867 as well as other restricted funds of £40,907 the purpose of which is for the general objects of the Academy Trust. The School holds £177,332 as restricted asset funds tied up in the fixed assets of the trust.

The Governors review the reserve levels of the Academy continually as part of the annual budget setting process and the regular review of the Academy accounts. The F&R committee reviews the Academy's management accounts four to five times per year. The policy of the Governors is prepared to run to a nil or low level of reserves if the budget requires it knowing the School has the financial commitment from FLOS which can provide an annual grant to the school if needed.

b. Investment policy

The Governors' policy adopts a prudent approach to the investment of surplus funds, investing in low risk short term bank deposits.

c. Financial and Risk Management Objectives and Policies

The financial and cash position of the Academy Trust is monitored carefully on a regular basis. There is a deficit on The Local Government Pension Scheme, for which there is no repayment plan. Payments are made in line with agreed contribution rates.

d. Principal risks and uncertainties

The Governors keep under review the strategic risks facing the Academy and the programmes which help to manage or mitigate the risk. Amongst the most important strategic risks at present are:

- The negative impact to education of a COVID resurgence
- Infrastructure: the DT block roof; the Swimming Pool chlorine tank and infrastructure

The School mitigates the financial risks by continually forecasting and monitoring income and expenditure and by applying for grants where possible. Other risks and their controls are detailed in the School's Risk Register.

e. Risk Management

The Governors have assessed the major risks to which the Academy is exposed and, where possible, have ensured that systems are in place to manage them. These relate particularly to the provision of teaching facilities as well as other operational areas of the Academy and to its finances. The Governors acknowledge that they have overall responsibility for ensuring that the Academy has an effective and appropriate systems of control; financial and otherwise.

In the opinion of the Governors, the Academy has implemented appropriate and effective systems, procedures and internal controls (including those relating to finance set out in the Governance Statement) to allow the risks identified to be managed or mitigated to an acceptable level to ensure that the Academy's ambitions can be delivered.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Governing Body's Committees continue to review and make recommendations about the strengthening of procedures relating to safeguarding and equal opportunities, where financial challenges or liabilities arising through litigation may arise.

CIF bidding is underway for funding for the DT roof block.

Fundraising

Other than the monthly direct debit parental contributions to FLOS, fundraising activities ceased completely, impeding the School's ability to build a strong identification with new parents. Due to the uncertainties surrounding COVID fundraising has therefore dropped.

Throughout September 2020-21, the School did not make any fundraising appeals to the general public during the year, and is unlikely to do so in the future. There has been no outsourced fundraising via professional fundraisers or other third parties and as a result the school is not registered with the fundraising regulator and received no fundraising complaints in the year.

Summary of the School Improvement Plan 2021-2022

1. Financial management and Oversight: Succession planning, role reviews and back office restructure; to implement Babcock external audit recommendations; to review software package for finance.
2. Operations and Estates Development: review of the buildings masterplan; implementation of Good Estate Management principles; to ensure principal issues on the risk register are tackled; to review procurement contracts in catering and the uniform shop.
3. Development, Fundraising and Alumni Relations: to implement Toucan Tech software to improve alumni relations and fundraising; to increase the number of fundraising events to rebuild the identification with the School.
4. Quality of Education: Re-focusing the school on great teacher and staff development, through the Great Teaching Toolkit; ensuring that School Improvement guidance is acted upon, especially in relation to long term and medium term curriculum planning.
5. Personal Development: implementation of PSHE in the Sixth Form; implementing a programme of on-site parent talks on PSHE issues, to help to re-build connection with the School after COVID.
6. Behaviour and Attitudes: implementation of core recommendations on revised behaviour policy, namely: pastoral support officers, centralised detentions and the Focus Room
7. Leadership and Management: improving communications within school and between the School and key stakeholders; to develop a first class staff development programme across the School.

Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 13 December 2021 and signed on its behalf by:



Andrew Zarraga
Chair of Governors

THE LONDON ORATORY SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The London Oratory 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.

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

The Board of Governors has delegated the day-to-day responsibility to the Headmaster, 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 London Oratory School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

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 5 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Heather Alston	4	4
Charles Doyle	4	4
Andrew Zarraga, Chair	4	4
Daniel Wright, Headmaster	4	4
Peter Ward	2	2
Bridget Tussaud	4	4
Dominic Sullivan	4	4
Vera Pellegrin	3	4
Gerard O'Doherty	4	4
Paolo Manca	4	4
The Very Revd Julian Large	3	4
Mrs Rosa Kummelstedt	4	4
Ward McKimm	3	4
Paul Harrington	4	4
Hemish Gunasekara	4	4
Rajive Samarasinha	3	3

Governance Review

The structure and remit of governance at the school is outlined under Organisational Structure. From September 1st 2019 the Staffing Committee was merged into the renamed Finance and Resources Committee.

A Scheme of Delegation is published on the school website and sets out the detailed remit of the Governing Body and its committees. As this is reviewed annually, the scheme published on the website may differ from that which was in place during the previous year.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
C Doyle	5	5
P Harrington	5	5
W McKimm	0	5
A Zarraga	4	5
D Wright	5	5
P Manca	3	5
V Pellegrin	2	2
G O'Doherty	4	4
R Samarasinhe	3	3

Review of value for money

As accounting officer, the Headmaster 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 each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

The Governors on the F&R committee and the Senior Staff continued to be very conscious of the budget constraints being faced. The budget setting process was carefully undertaken to see where savings might be achieved. A review of all budget headings was made. Some money saving decisions were made including a review of education support staffing and other administrative savings.

The School is exploring several initiatives to make income from the on-site facilities including hiring out the swimming pool and the theatre. Additionally, the Foundation held a successful fundraising event (Gala Dinner) during the year.

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 on-going process designed to identify and prioritise the risks to the achievement of Academy 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 The London Oratory School for the year 1 September 2020 to 31 August 2021 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 year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Academy Trust'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 Governing Body;
- regular reviews by the F&R 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 Governing Body has considered the need for a specific internal audit function. The governors will engage either a governor or an independent accountant to perform periodic 'Responsible Officer' visits. In the current year, due to COVID-19 restrictions, there were no RO visits undertaken. The RO function includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a periodic basis, the engaged party will report to the F&R Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The reports have taken place as planned and any areas highlighted have been to be addressed.

Review of effectiveness

As accounting officer, the Headmaster 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 Responsible Officer;
- the work of the external auditors;
- the work of the executive managers 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 F&R committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Andrew Zarraga
Chair of Governors



Daniel Wright
Accounting Officer

Date: 13 December 2021

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The London Oratory School I have considered my responsibility to notify the Academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2020.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of all 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 2020.

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.

Dan Wright

Daniel Wright
Accounting Officer

Date: 13 December 2021

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published 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 charitable company 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 of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Governors on
13 December 2021 and signed on its behalf by:



A Zarraga
Chair of Governors

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LONDON ORATORY SCHOOL**

Opinion

We have audited the financial statements of The London Oratory School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LONDON ORATORY SCHOOL (CONTINUED)**

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy 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 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 trustees

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the Academy 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the School and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Academies Financial Handbook, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Academies Accounts Direction.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LONDON ORATORY SCHOOL (CONTINUED)**

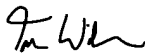
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates.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

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

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 Auditors' Report.

Use of our report

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Wilson (Senior Statutory Auditor)

for and on behalf of

Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Date: 15/12/21

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
LONDON ORATORY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 June 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The London Oratory School during the year 1 September 2020 to 31 August 2021 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 London Oratory School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The London Oratory School and 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 London Oratory School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The London Oratory School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The London Oratory School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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.

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:

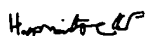
- Assessment of the control environment operated by the Academy.
- Walkthrough testing of controls to ensure operational effectiveness.
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised.
- Detailed testing on a selection of expense claims and credit card statements.
- Review of minutes, bank certificates and related party declarations provided by Governors.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
LONDON ORATORY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Haysmacintyre LLP

Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 15/12/21

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	167,988	30,000	141,051	339,039	479,159
Other trading activities	5	10,060	48,000	-	58,060	13,221
Investments	6	1,034	-	-	1,034	2,778
Charitable activities	4	950,622	9,071,121	-	10,021,743	9,378,728
Total income		1,129,704	9,149,121	141,051	10,419,876	9,873,886
Expenditure on:						
Raising funds		12,641	-	-	12,641	5,674
Charitable activities		825,736	9,703,772	139,604	10,669,112	10,139,694
Total expenditure		838,377	9,703,772	139,604	10,681,753	10,145,368
Net income/(expenditure)		291,327	(554,651)	1,447	(261,877)	(271,482)
Transfers between funds	17	(214,651)	214,651	-	-	-
Net movement in funds before other recognised gains/(losses)		76,676	(340,000)	1,447	(261,877)	(271,482)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(170,000)	-	(170,000)	31,000
Net movement in funds		76,676	(510,000)	1,447	(431,877)	(240,482)
Reconciliation of funds:						
Total funds brought forward		366,191	(2,139,093)	175,885	(1,597,017)	(1,356,535)
Net movement in funds		76,676	(510,000)	1,447	(431,877)	(240,482)
Total funds carried forward		442,867	(2,649,093)	177,332	(2,028,894)	(1,597,017)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 45 form part of these financial statements.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 7700776

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	128,222	109,610
Investments	14	-	2
		<u>128,222</u>	<u>109,612</u>
Current assets			
Debtors	15	305,153	398,676
Cash at bank and in hand		824,884	619,704
		<u>1,130,037</u>	<u>1,018,380</u>
Creditors: amounts falling due within one year	16	(597,153)	(575,009)
Net current assets		<u>532,884</u>	<u>443,371</u>
Total assets less current liabilities		<u>661,106</u>	<u>552,983</u>
Defined benefit pension scheme liability	23	(2,690,000)	(2,150,000)
Total net assets		<u><u>(2,028,894)</u></u>	<u><u>(1,597,017)</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	177,332	175,885
Restricted income funds	17	40,907	10,907
		<u>218,239</u>	<u>186,792</u>
Restricted funds excluding pension liability	17	218,239	186,792
Pension reserve	17	(2,690,000)	(2,150,000)
Total restricted funds	17	<u>(2,471,761)</u>	<u>(1,963,208)</u>
Unrestricted income funds	17	<u>442,867</u>	<u>366,191</u>
Total funds		<u><u>(2,028,894)</u></u>	<u><u>(1,597,017)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 20 to 45 were approved and authorised for issue by the Governors and are signed on their behalf, by:

A M Zarraga

A Zarraga
Chair of Governors
Date: 13 December 2021

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	163,710	142,733
Cash flows from investing activities	20	41,470	(1,901)
Change in cash and cash equivalents in the year		205,180	140,832
Cash and cash equivalents at the beginning of the year		619,704	478,872
Cash and cash equivalents at the end of the year	21, 22	<u>824,884</u>	<u>619,704</u>

The notes on pages 23 to 45 form part of these financial statements

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. 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.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 Academy 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.

1.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

• **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.

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 year is deducted from income and recognised as a liability.

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

• **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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.4 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. 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 resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

ICT equipment	- 25%
Plant and machinery	- 25%
Fixtures, fittings and equipment	- 20% - 25%
Plant	- 10%

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 15. 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 16. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the Academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy 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/asset 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.

1.13 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

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2. 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2021. 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.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Schola donations	22,006	-	-	22,006
Capital Grants	-	-	141,051	141,051
Other donations	145,982	30,000	-	175,982
	<u>167,988</u>	<u>30,000</u>	<u>141,051</u>	<u>339,039</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Schola donations	59,367	-	-	59,367
Capital Grants	-	-	47,567	47,567
Other donations	189,263	182,962	-	372,225
	<u>248,630</u>	<u>182,962</u>	<u>47,567</u>	<u>479,159</u>

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4. Funding for the Academy's academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	8,215,837	8,215,837
Other DfE/ESFA grants			
Other DfE/ESFA grants	-	482,873	482,873
Pupil Premium	-	134,110	134,110
	-	8,832,820	8,832,820
Other Government grants			
Stated funding	-	238,301	238,301
	-	238,301	238,301
Other funding			
Other income from the academy trust's educational operations	131,804	-	131,804
Lunch income	564,408	-	564,408
Music income	254,410	-	254,410
	950,622	-	950,622
	950,622	9,071,121	10,021,743

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4. Funding for the Academy's academy's educational operations (continued)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	7,594,728	7,594,728
Other DfE/ESFA grants			
Other DfE/ESFA grants	-	451,951	451,951
Pupil Premium	-	124,825	124,825
	-	8,171,504	8,171,504
Other Government grants			
Statemented funding	-	162,641	162,641
	-	162,641	162,641
Other funding			
Other income from the academy trust's educational operations	325,962	-	325,962
Lunch income	476,753	-	476,753
Music income	241,868	-	241,868
	1,044,583	-	1,044,583
	1,044,583	8,334,145	9,378,728

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Arts Centre	10,060	-	10,060
Insurance income	-	48,000	48,000
	10,060	48,000	58,060

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5. Income from other trading activities (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Arts Centre	13,221	13,221

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Short term deposits	1,034	1,034

	Unrestricted funds 2020 £	Total funds 2020 £
Short term deposits	2,778	2,778

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	12,641	12,641
Academy's educational operations:				
Direct costs	7,129,837	-	765,589	7,895,426
Allocated support costs	568,563	725,525	1,479,598	2,773,686
	7,698,400	725,525	2,257,828	10,681,753

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure (continued)

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	5,674	5,674
Academy's educational operations:				
Direct costs	6,643,317	-	1,244,595	7,887,912
Allocated support costs	563,288	638,323	1,050,171	2,251,782
	<u>7,206,605</u>	<u>638,323</u>	<u>2,300,440</u>	<u>10,145,368</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Academy's educational operations	<u>7,895,426</u>	<u>2,773,686</u>	<u>10,669,112</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Academy's educational operations	<u>7,887,912</u>	<u>2,251,782</u>	<u>10,139,694</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Support staff costs	568,563	563,288
Technology costs	37,805	21,989
Premises costs	773,523	638,323
Catering	662,544	521,383
Other support costs	731,251	506,799
	<u>2,773,686</u>	<u>2,251,782</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	5,288	4,314
Depreciation of tangible fixed assets	82,003	88,177
Fees paid to auditors for:		
- audit	13,000	12,500
- other services	4,725	4,605
	<u>100,016</u>	<u>109,606</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,790,448	5,310,005
Social security costs	583,643	541,180
Pension costs	1,201,309	1,101,183
	<u>7,575,400</u>	<u>6,952,368</u>
Agency staff costs	123,000	254,238
	<u>7,698,400</u>	<u>7,206,606</u>

b. Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2021 No.	2020 No.
Teachers	116	133
Administration and support	35	35
Management	3	3
	<u>154</u>	<u>171</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	7	8
In the band £70,001 - £80,000	4	4
In the band £80,001 - £90,000	2	2
In the band £110,001 - £120,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management 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 £833,788 (2020 - £837,804).

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11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2021	2020
		£	£
Daniel Wright, Headmaster	Remuneration	115,000 -	110,000 -
		120,000	115,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
Hemish Gunasekara	Remuneration	65,000 -	65,000 -
		70,000	70,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
Dominic Sullivan	Remuneration	60,000 -	45,000 -
		65,000	50,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

12. Governors' and Officers' insurance

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2020	297,809	389,474	-	687,283
Additions	18,783	75,532	6,300	100,615
At 31 August 2021	316,592	465,006	6,300	787,898
Depreciation				
At 1 September 2020	252,022	325,651	-	577,673
Charge for the year	29,035	51,393	1,575	82,003
At 31 August 2021	281,057	377,044	1,575	659,676
Net book value				
At 31 August 2021	35,535	87,962	4,725	128,222
At 31 August 2020	45,787	63,823	-	109,610

14. Fixed asset investments

	Investments in subsidiary companies £
At 1 September 2020	2
Disposals	(2)
At 31 August 2021	-
Net book value	
At 31 August 2021	-
At 31 August 2020	2

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14. Fixed asset investments (continued)

The school held 100% of the share capital of Turnout Limited, a company registered in England and Wales and holds the controlling voting right to the board of The London Oratory School Foundation, a company limited by guarantee.

Turnout Limited was dissolved on 24 August 2021.

The results for The London Oratory School Foundation for the year ended 31 August 2021 have been summarised below:

	2021 £	2020 £
Income	1,540	14,340
Expenditure	(27,190)	(2,649)
Surplus for the year	(25,650)	11,691
Retained profit brought forward	115,320	103,629
Retained profit carried forward	89,670	115,320

Its balance sheet for the year, as extracted from the audited accounts as at 31 August 2021 is summarised below:

	2021 £	2020 £
Current assets	93,705	119,355
Less: current liabilities	(4,035)	(4,035)
	89,670	115,320

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	257,297	344,957
Other debtors	47,856	53,719
	305,153	398,676

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	167,901	203,603
Other taxation and social security	300,901	269,112
Other creditors	2,070	3,405
Accruals and deferred income	126,281	98,889
	<u>597,153</u>	<u>575,009</u>

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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	366,191	1,129,704	(838,377)	(214,651)	-	442,867
Restricted general funds						
General Annual Grant (GAG)	-	8,215,837	(8,430,488)	214,651	-	-
Other DfE/ESFA/LA grants	-	903,284	(903,284)	-	-	-
Other restricted funds (Govs)	10,907	30,000	-	-	-	40,907
Pension reserve	(2,150,000)	-	(370,000)	-	(170,000)	(2,690,000)
	<u>(2,139,093)</u>	<u>9,149,121</u>	<u>(9,703,772)</u>	<u>214,651</u>	<u>(170,000)</u>	<u>(2,649,093)</u>
Restricted fixed asset funds						
DfE Group capital grants	142,454	141,051	(106,173)	-	-	177,332
Capital expenditure from GAG	33,431	-	(33,431)	-	-	-
	<u>175,885</u>	<u>141,051</u>	<u>(139,604)</u>	<u>-</u>	<u>-</u>	<u>177,332</u>
Total Restricted funds	<u>(1,963,208)</u>	<u>9,290,172</u>	<u>(9,843,376)</u>	<u>214,651</u>	<u>(170,000)</u>	<u>(2,471,761)</u>
Total funds	<u>(1,597,017)</u>	<u>10,419,876</u>	<u>(10,681,753)</u>	<u>-</u>	<u>(170,000)</u>	<u>(2,028,894)</u>

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

The General Annual Grant is funding from the DfE for the Academy's operating costs.

Other DfE/ESFA/LA grants include funding to be spent on pupils with special educational needs.

DfE/ESFA/LA capital grants and other donations were to fund the purchase of fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	270,427	1,492,174	(1,173,762)	(222,648)	-	366,191
Restricted general funds						
General Annual Grant (GAG)	-	7,719,553	(7,942,201)	222,648	-	-
Other DfE/ESFA/LA grants	-	614,592	(614,592)	-	-	-
Other restricted funds (Govs)	10,907	-	-	-	-	10,907
Pension reserve	(1,910,000)	-	(271,000)	-	31,000	(2,150,000)
	<u>(1,899,093)</u>	<u>8,334,145</u>	<u>(8,827,793)</u>	<u>222,648</u>	<u>31,000</u>	<u>(2,139,093)</u>
Restricted fixed asset funds						
DfE Group capital grants	150,523	47,567	(55,636)	-	-	142,454
Capital expenditure from GAG	121,608	-	(88,177)	-	-	33,431
	<u>272,131</u>	<u>47,567</u>	<u>(143,813)</u>	<u>-</u>	<u>-</u>	<u>175,885</u>
Total Restricted funds	<u>(1,626,962)</u>	<u>8,381,712</u>	<u>(8,971,606)</u>	<u>222,648</u>	<u>31,000</u>	<u>(1,963,208)</u>
Total funds	<u>(1,356,535)</u>	<u>9,873,886</u>	<u>(10,145,368)</u>	<u>-</u>	<u>31,000</u>	<u>(1,597,017)</u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	128,222	128,222
Current assets	607,040	473,887	49,110	1,130,037
Creditors due within one year	(164,173)	(432,980)	-	(597,153)
Provisions for liabilities and charges	-	(2,690,000)	-	(2,690,000)
Total	442,867	(2,649,093)	177,332	(2,028,894)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	109,610	109,610
Fixed asset investments	-	-	2	2
Current assets	366,191	585,915	66,274	1,018,380
Creditors due within one year	-	(575,009)	-	(575,009)
Provisions for liabilities and charges	-	(2,150,000)	-	(2,150,000)
Total	366,191	(2,139,094)	175,886	(1,597,017)

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19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(261,877)	(271,482)
Adjustments for:		
Depreciation	82,003	88,177
Capital grants from DfE and other capital income	(141,051)	(47,567)
Interest receivable	(1,034)	(2,778)
Defined benefit pension scheme cost less contributions payable	337,000	237,000
Defined benefit pension scheme finance cost	33,000	34,000
Decrease/(increase) in debtors	93,525	(103,247)
Increase in creditors	22,144	208,630
Net cash provided by operating activities	163,710	142,733

20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	1,034	2,778
Purchase of tangible fixed assets	(100,615)	(52,246)
Capital grants from DfE Group	141,051	47,567
Net cash provided by/(used in) investing activities	41,470	(1,901)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	824,884	619,704
Total cash and cash equivalents	824,884	619,704

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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	619,704	205,180	824,884
	<u>619,704</u>	<u>205,180</u>	<u>824,884</u>

23. Pension commitments

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 London Borough of Hammersmith and Fulham. 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 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 full-time 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)
- 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
- 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.

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23. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,043,562 (2020 - £904,973).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £221,000 (2020 - £195,000), of which employer's contributions totalled £156,000 (2020 - £138,000) and employees' contributions totalled £65,000 (2020 - £57,000). The agreed contribution rates for future years are 15.9 per cent for employers and between 5.5 and 9.9 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.30

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

	2021	2020
	Years	Years
Retiring today		
Males	21.6	21.8
Females	24.3	24.4
Retiring in 20 years		
Males	22.9	23.2
Females	25.7	25.9

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23. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(201)	(168)
Discount rate -0.1%	206	172
Mortality assumption - 1 year increase	351	273
Mortality assumption - 1 year decrease	(336)	(263)
CPI rate +0.1%	186	155
CPI rate -0.1%	(181)	(152)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	2021	2020
	£	£
Equities	2,692,000	2,167,000
Property	559,000	498,000
Cash and other liquid assets	349,000	340,000
Other	868,000	1,289,000
Cash plus funds	1,284,000	598,000
Total market value of assets	5,752,000	4,892,000

The actual return on scheme assets was £689,000 (2020 - £281,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£	£
Current service cost	336,000	316,000
Net interest cost	33,000	34,000
Total amount recognised in the Statement of Financial Activities	369,000	350,000

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23. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	7,042,000	6,415,000
Interest cost	113,000	118,000
Employee contributions	65,000	57,000
Actuarial losses	779,000	194,000
Benefits paid	(49,000)	(115,000)
Current service cost	492,000	373,000
At 31 August	<u>8,442,000</u>	<u>7,042,000</u>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	4,892,000	4,505,000
Interest income	80,000	84,000
Actuarial gains	609,000	225,000
Employer contributions	156,000	138,000
Employee contributions	65,000	57,000
Benefits paid	(49,000)	(115,000)
Administration costs	(1,000)	(2,000)
At 31 August	<u>5,752,000</u>	<u>4,892,000</u>

24. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

25. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.