

Marylebone School Limited

Annual Report and Financial Statements

31 August 2021

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



Marylebone School Limited

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Members	Margaret Mountford Antonia Cox Inigo Woolf (representing LDBS) Sarah Brendlor Sarah Clifford
Governors	Margaret Mountford Monica Alvarez Yu Andrew Barnes Aslam Khan Blerina Essen Fr Gary Bradley Howard Goldsobel Ifeanyi Uyanneh Jane Wilson Robert Evans Troy Sharpe Emily Sargent Richard Ardron
Senior Leadership Team	
Headteacher and Accounting Officer	Richard Ardron
Senior Deputy Headteacher	Harriet Watkins
Deputy Headteacher	Paul Green
Assistant Headteacher	Charlotte Fine
Assistant Headteacher	Paul Hunt
Assistant Headteacher	Sophie Rogers
Acting Assistant Headteacher	Emily Sargent
School Business Manager and Chief Financial Officer	Giles Finnemore
Registered address	North Wharf Road LONDON W2 1QZ
Company registration number	08339142
Auditor	Buzzacott LLP 130 Wood Street LONDON EC2V 6DL

Bankers Lloyds Bank
39 Threadneedle Street
LONDON
EC2R 8AU

The governors of Marylebone School Limited ('the Academy') present their statutory report together with the financial statements of the charitable company for the year to 31 August 2021. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 32 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Academy recently increased its capacity to 950 students and with 726 on roll is currently undersubscribed. The Academy has developed a marketing strategy and plan to increase intake in both Year 7 and sixth form.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

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

Members' liability

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

Governors' indemnities

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

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

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

Governors

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

Governor	Position	Period in office as governor
Monica Alvarez Yu	Vice-Chair from 15 October 2020	
Richard Ardron	Headteacher and Accounting Officer	
Andrew Barnes		
Fr Gary Bradley		
Sarah Brendlor		Until 2 October 2020
Blerina Essen		
Robert Evans		From 14 January 2021
Howard Goldsobel		From 30 October 2020
Aslam Khan		From 20 May 2021
Margaret Mountford	Chair of Governors	
Emily Sargent		
Troy Sharpe		
Ifeanyi Uyanneh		From 14 January 2021
Jane Wilson		

Method of recruitment and appointment or election of governors

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of governors

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

Organisational structure

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

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

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

The Governing Body has delegated some of its functions to committees, as described on page 10, as specified in their respective terms of reference.

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

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

There were no union officials employed by the Academy during the year ended 31 August 2021.

Connected organisations, including related party relationships

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

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

OBJECTIVES AND ACTIVITIES

Objects and aims

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

Public Benefit

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

STRATEGIC REPORT

Achievements and performance

Marylebone Boys' School, colloquially known as MBS, opened in September 2014. Its' first set of GCSE public examination results were in the summer of 2019. Due to the impact of COVID-19 and the public health concerns within educational settings, there were no public examinations sat nationally since 2019. Consequently, MBS's GCSE results in 2020 and 2021 and the first set of A Level results in 2021, were derived from 'Centre Assessed Grades' rather than public examinations. Despite these challenges, the academy successfully completed its seventh academic year, fully staffed and with a cohort of years 7 to 13 pupils, and its third full year in its new permanent building.

The academy continues its strong focus on teaching and learning, and the emphasis remains on "academic rigour" to underpin the subjects studied by pupils. The third cohort of GCSE pupils received their GCSE results with

- ◆ 75% of our boys receiving a grade 5-9 in English and Maths
- ◆ 27% of all grades awarded were 9 or 8

Senior and middle leaders have continued to prioritise the development of the Key Stages 4 and 5 curriculum, with the first cohort of year 13 pupils starting in September 2020.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

In August 2021 MBS Sixth Form received its first set of A Level results too. We are immensely proud of all our sixth form students who, despite all the disruption in the last two years, have shown tremendous resilience and determination and have been rewarded with such brilliant results.

- ◆ 35% of A Level grades were awarded the highest mark of A* or A
- ◆ 70% of A Level grades were awarded A*- B

As a result, nearly half (46%) of our sixth form students entered Russell Group universities in September 2021.

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

In order to prepare students to consider their choices beyond GCSE, an extensive career guidance programme has been established and delivered in-house and remotely due to

Covid-19 restrictions. Sixth form pupils have taken advantage of virtual trips to Universities and were able to visit a variety of businesses and organisations until restrictions were put in place.

Review of activities

The year was once again severely disrupted following Government lockdowns in response to the Covid-19 pandemic and the introduction of social distancing and 'bubbles' meaning students in different year groups could not mix. As a result, the school introduced a COVID timetable in order to manage student movement resulting in reduced lesson time, segregated entrance and exits and an overall shorter teaching day. Learning was further disrupted when staff and students tested positive for COVID and those who had come into close contact also had to isolate. This sometimes resulted in whole year groups being sent home for two weeks to study remotely. The school continued to support students by providing laptops and those in year 11 and year 13 benefited from being provided with exam revision books and catch-up lessons during the Easter holidays.

Although there were certain additional costs such as extra cleaning, the school saved money on the use of external sports facilities and transport to them, which were not permitted.

Planning is continuing for the new Sixth Form Centre, also on North Wharf Road, and despite delays in the construction industry due to COVID-19, we were given full control of the building on 3rd November 2021 and commenced teaching in it on 30th November

The Governors are grateful to Westminster City Council, the London Diocesan Board for Schools and the Department of Education, including the ESFA, for their continued support.

STRATEGIC REPORT (continued)**Achievements and performance (continued)*****Review of activities (continued)***

The school has used Pupil Premium funding from the Department for Education to support disadvantaged students, who account for 45% of the pupil population. Funding is targeted at specific pupil groups through a full programme of interventions. To complement internally delivered intervention strategies, the school uses a range of specific external support programmes to enhance its Pupil Premium offer.

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy has adequate resources to continue its operational existence for the foreseeable future. Although the COVID-19 pandemic has resulted in additional operating costs, particularly in respect of cleaning, these additional costs whilst expected to continue over the next twelve months and beyond are not significant enough to change the ongoing concern basis. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review***Financial report for the period***

The Academy's total income for the year to 31 August 2021 amounted to £5,600,000 (2020: £4,915,000) of which £267,000 related to the ESFA capital funding grants (2020: £16,000). The Academy held total fund balances of £26,535,000 at 31 August 2021 (2020 - £27,169,000). The general fund restricted balance at 31 August 2021, including the net pension liability in respect of the LGPS of £808,000 (2020: £495,000), was £587,000 (2020: £742,000). The unrestricted general fund balance at 31 August 2021 was 40,000 (2020: £24,000).

Income for the year was higher due to receipt of additional grants from the ESFA and the local authority in support of operations related to managing the impact of the Covid-19 pandemic. This included grants for Covid testing, catch-up learning, summer school for new Year 7 and funds to supply free school meal vouchers to eligible families during the school holidays. Covid-19 also meant a reduced academic timetable, due to required social distancing and keeping cohorts in 'bubbles,' which resulted in reduced income (and costs) from lunch, less income (and costs) from music lessons and no income (or costs) from academic trips. Off-site PE was cancelled saving on the hire of transport. Facilities management was brought in-house during the year adding three members of staff to payroll however with a net reduction in overall costs. Furniture and IT equipment for the new Sixth Form Centre was bought in preparation for opening and income for the year includes the reimbursement of these costs. The new building was handed over from the developer on Wednesday 24th November 2021 and the first lesson was on Tuesday 30th November. The academy would like to thank the Department for Education for the new building and recognise the builders McAleer & Rushe.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the period (continued)

The financial impact of Covid-19 pandemic was minor in so far as the Academy did not need to access reserves.

The results for the year are shown on page 20.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks identified are in relation to:

- ◆ Pupil recruitment to ensure that each year group is full. The school continues to deliver a targeted and impactful programme of ongoing student recruitment and engages with all potentially interested students, parents and staff to build their interest in the school.
- ◆ Successful recruitment of sixth form pupils to ensure the school can deliver a viable and sustainable key stage 5 offer in a market with an oversupply of sixth form places.
- ◆ Safeguarding and child protection – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.
- ◆ Like all schools, it remains at risk to temporary closure due to Covid-19 meanwhile there is a risk to exam performance due to the increased number of weeks that students have had to isolate and follow a remote learning path due to the pandemic.
- ◆ Additionally, the school remains at risk to cyber-attack and regularly provides training and awareness to staff on how to spot an attack and what to do.

RESERVES POLICY

During the year the governors agreed a reserves policy that requires the school to hold a minimum of three months' payroll. Reported reserves are in line with this policy.

INVESTMENT POLICY

The governors have continued to hold surplus funds in an interest-bearing account and have determined how best to invest these, whilst maintaining adequate account balances to meet cash flow fluctuations.

FUNDRAISING

The received a donation from St Marylebone Educational Foundation for Audio Visual equipment for the new MBS Sixth Form Centre. The school also received donations of laptops from the DfE, Mail Force Charity, part of The Daily Mail & general trust and Young Westminster, part of Westminster Council. The Trust does not engage with any commercial participators or professional fundraisers.

FUTURE ACTIVITIES AND PLANS

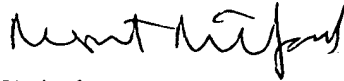
Since September 2021 we have been able to return to a full normal school day. The effects of COVID will continue to be felt by students, parents and staff alike and like other schools could take years to resolve. All these stakeholders, especially our students, however, are resilient and have begun the year demonstrating their professionalism, positivity and productivity

AUDITOR

In so far as the governors are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



Margaret Mountford

Chair of governors

Date:

16/12/21

Scope of responsibility

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

The board of governors have taken due account of the DfE's Governance Handbook and have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Review of value for money

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

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

Contracts and Tenders

Following termination of its facilities management contract on 31st March 2021, the school decided to bring this part of its operations in-house and now employs a full-time Facilities Manager and two maintenance staff. The school continues to monitor suppliers, their costs and their services in order to maintain value for money. Through this process the school ensures best value for money and quality of service provision.

Staffing Costs

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

Managing capital expenditure carefully

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

Governance statement 31 August 2021

Governance

The full Governing Body met six times during the year and continued to hold the school to the vision of the founders. All meetings took place virtually, via internet link. The new committee structure continued to work well. The Finance Audit and Risk Committee met 5 times, and the Human Resources and Remuneration committee and the Curriculum and Assessment Committee each met three times. Sarah Brendlor, one of the first parent governors who had remained on the Board in a co-opted capacity, retired in October 2020. We are very grateful to her for her contribution over the years, and are delighted that she continues to be involved with the school as a Member of the Academy Trust company. We have welcomed as new governors Aslam Kahn, a parent governor, and Robert Evans and Ifeanyi Uyanneh, who came to us through the Paddington Partnership.

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

Governor	Number of FGB meetings attended	Out of a possible
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Monica Alvarez Yu	5	6
Richard Ardron	6	6
Andrew Barnes	6	6
Fr Gary Bradley	1	6
Sarah Brendlor	1	1
Blerina Essen	5	6
Robert Evans	4	4
Howard Goldsobel	5	5
Aslam Khan	2	2
Margaret Mountford	6	6
Emily Sargent	5	6
Troy Sharpe	4	6
Ifeanyi Uyanneh	4	4
Jane Wilson	6	6

Governance statement 31 August 2021

Governance (continued)

Governor	Number of Finance, Audit and Risk Committee meetings attended	Out of a possible
Margaret Mountford	5	5
Richard Ardron	5	5
Andrew Barnes	5	5
Blerina Essen	4	5
Howard Goldsobel	4	4

Governance review

During the year, the governing body reviewed the governors' vision for the school and its ethos.

While individual governors may still have a close involvement with a particular subject or area of school life, the formal link governor system has been replaced by the new committee structure. The programme of governor visits to the school was disrupted by the Covid-19 pandemic and lockdown regulations, and throughout the financial year under review all governor and committee meetings have been held virtually via internet link.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Marylebone School Limited for the year ended 31 August 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 period ended 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 31 August 2021

The risk and control framework

The school's system of internal financial control for the year ended 31 August 2021 is designed to meet the requirements of an operational Academy. The school's system of internal financial control includes:

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

Strictly Education have continued to perform an internal scrutiny role. This includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, reports are presented to the governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities. This programme of internal scrutiny is monitored on a termly basis by the Finance, Audit and Risk Committee.

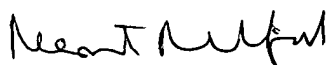
Review of effectiveness

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

- ◆ external auditor and the firm providing the internal scrutiny role;
- ◆ scrutiny by the Finance and Audit Committees.

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

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



(Chair of governors)

Margaret Mountford
Approved on: 16/12/21



(Accounting Officer)

Richard Ardron

Statement on regularity, propriety and compliance 31 August 2021

As Accounting Officer of Marylebone School Limited, I have considered my responsibility to notify the Academy board of governors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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



Accounting Officer

Richard Ardron Headteacher

Date: 16/12/2021

The governors (who act as trustees for the charitable activities of Marylebone School Limited and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law, the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the governors are required to:

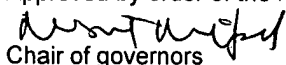
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

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

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

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

 Margaret Mountford
Chair of governors

Date:

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

Opinion

We have audited the financial statements of Marylebone School Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

Conclusions relating to going concern (continued)

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of governors' remuneration specified by law are not made; or

Matters on which we are required to report by exception (continued)

- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ and governance procedures. We corroborated our inquiries through our review of the minutes of governors' meetings and papers provided to the governors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of governors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become

aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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

Buzzacott LLP

17.12.2021

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

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

In accordance with the terms of our engagement letter dated 25 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Marylebone School Limited during the period from 1 September 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 Marylebone School Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Marylebone School Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Marylebone School Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Marylebone School Limited funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 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 period from 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.

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.

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 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.

Buzzacott LLP

Hugh Swainson - 17.12.2021

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2021
(including the income and expenditure account)

DRAFT

		<u>Restricted funds</u>				
	Notes	Un-restricted funds £'000	General fund £'000	Fixed assets fund £'000	2021 Total funds £'000	2020 Total funds £'000
Income from:						
Donations and capital grants	1	—	—	312	312	21
Charitable activities						
Funding for the Academy's educational operations	4	9	5,272	—	5,281	4,886
Other trading activities	2	6	—	—	6	5
Investments	3	1	—	—	1	3
Total income		16	5,272	312	5,600	4,915
Expenditure on:						
Raising funds	5	—	—	—	—	8
Charitable activities						
Academy's educational operations	6	—	5,292	807	6,099	5,222
Total expenditure		—	5,292	807	6,099	5,230
Net income (expenditure) before transfers		16	(20)	(495)	(499)	(315)
Transfers between funds	14	—	—	—	—	—
Net income (expenditure)		16	(20)	(495)	(499)	(315)
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	19	—	(135)	—	(135)	52
Net movement in funds		16	(155)	(495)	(634)	(263)
Reconciliation of funds						
Fund balances brought forward at 1 September 2020		24	742	26,403	27,169	27,432
Fund balances carried forward at 31 August 2021		40	587	25,908	26,535	27,169

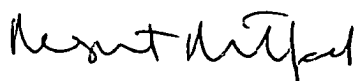
All of the charitable company's activities derived from continuing operations during the above two financial periods.

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

Balance sheet 31 August 2021**DRAFT**

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible fixed assets	12		25,785		26,403
Current assets					
Debtors	13	380		201	
Cash at bank and in hand		2,100		1,742	
		2,480		1,943	
Liabilities					
Creditors: amounts falling due within one year	13	(922)		(682)	
Net current assets			1,558		1,261
Net assets excluding pension liability			27,343		27,664
Pension scheme liability	19		(808)		(495)
Total net assets			26,535		27,169
Restricted funds					
Fixed assets fund	14		25,908		26,403
Restricted income fund	14		1,395		1,237
Pension reserve	14		(808)		(495)
			26,495		27,145
Unrestricted income funds					
General fund	15		40		24
Total funds			26,535		27,169

The financial statements on pages 24 – 46 were approved by the Governors, and authorised for issue on 16 December 2021 and are signed on their behalf by:



Chair of governors
Margaret Mountford
Marylebone School Limited
Company Limited by Guarantee
Registration Number: 08339142 (England and Wales)

Statement of cash flows Year to 31 August 2021
DRAFT

		2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	279	390
Cash flows from investing activities			
	B	79	(66)
Change in cash and cash equivalents in the year		358	324
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2020		1,742	1,418
Cash and cash equivalents at 31 August 2021	C	2,100	1,742

A Reconciliation of net expenditure to net cash provided by operating activities

	2021 £'000	2020 £'000
Net expenditure for the year (as per the statement of financial activities)	(499)	(315)
Adjusted for:		
Depreciation charges (note 12)	807	779
Capital grants from DfE/ ESFA	(267)	(16)
Interest receivable (note 3)	(1)	(3)
Defined benefit pension scheme cost less contributions payable (note 19)	171	135
Defined benefit pension scheme finance cost (note 19)	7	7
(Increase)/decrease in debtors	(179)	43
Increase/(decrease) in creditors	240	(239)
Net cash provided by operating activities	279	391

B Cash flows from investing activities

	2021 £'000	2020 £'000
Dividends, interest and rents from investments	1	3
Purchase of tangible fixed assets	(189)	(86)
Capital grants from DfE/ESFA	267	16
Net cash provided by investing activities	79	(67)

C Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash and cash equivalents: Cash at bank and in hand	2,100	1,742

D Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash	1,742	358	2,100
Total	1,742	358	2,100

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Marylebone School Limited meets the definition of a public benefit entity under FRS 102.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The governors have taken into account the impact of Covid-19 when making their assessment of going concern.

Income recognition

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

Grants

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

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

Income recognition (continued)

Grants (continued)

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

Donations

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

Donated fixed assets

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

Gifts in kind

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

Other income

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

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

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

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

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

- | | |
|--|------------------------|
| ♦ Leasehold buildings and improvements | 50 years straight line |
| ♦ Fixtures, fittings and equipment | 5 years straight line |
| ♦ ICT equipment | 3 years straight line |

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. 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 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Liabilities

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

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Critical areas of judgement

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

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Capital grants	—	267	267	16
Other donations	—	45	45	5
	—	312	312	21

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000
Capital grants	—	16	16
Other donations	5	—	5
	5	16	21

2 Other trading activities

	Unrestricted funds £'000	Restricted general funds £'000	2021 Total funds £'000	2020 Total funds £'000
Miscellaneous income	6	—	6	5

	Unrestricted funds £'000	Restricted general funds £'000	2020 Total funds £'000
Miscellaneous income	5	—	5

3 Investment income

	Unrestricted funds £'000	Restricted general funds £'000	2021 Total funds £'000	2020 Total funds £'000
Interest receivable	1	—	1	3

	Unrestricted funds £'000	Restricted general funds £'000	2020 Total funds £'000
Interest receivable	3	—	3

4 Funding for the Academy's educational operations

	Unrestricted funds £'000	Restricted general funds £'000	2021 Total funds £'000	2020* Total funds £'000
DfE / ESFA grants				
General Annual Grant (GAG)	—	4,529	4,529	4,146
Pupil Premium Grant	—	220	220	230
Other ESFA/DFE Grants	—	308	308	297
Free School Meals	—	19	19	—
	—	5,076	5,076	4,673
Other Government grants				
Local authority grants	—	117	117	134
	—	117	117	134
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	45	45	—
Other DfE/ESFA COVID-19 funding	—	34	34	46
	—	79	79	46
Other income from the Academy's educational operations	9	—	9	33
	9	5,272	5,281	4,886

- The trust received £45,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £45,000.

*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for 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.

	Unrestricted funds £'000	Restricted general funds £'000	2020 Total funds £'000
DfE / ESFA grants			
General Annual Grant (GAG)	—	4,146	4,146
Pupil Premium Grant	—	230	230
Other ESFA/DFE Grants	—	297	297
	—	4,673	4,673
Other Government grants			
Local authority grants	—	134	134
	—	134	134
Exceptional government funding			
Other coronavirus funding	—	46	46
	—	46	46
Other income from the Academy's educational operations	—	33	33
	—	4,886	4,886

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

The academy trust was eligible to claim additional funding in 2020 from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support relates to the reclaim of free school meal vouchers.

5 Expenditure

	Staff costs £'000	Non pay expenditure Premises costs £'000	Other costs £'000	Total 2021 £'000
Academy's educational operations (note 6)				
. Direct costs	3,437	538	321	4,296
. Allocated support costs	684	660	459	1,803
	4,121	1,198	780	6,099

	Staff costs £'000	Non pay expenditure Premises costs £'000	Other costs £'000	Total 2020 £'000
Expenditure on raising funds				
. Direct costs	—	—	6	6
. Support costs	1	1	—	2
Academy's educational operations (note 6)				
. Direct costs	2,682	535	311	3,528
. Allocated support costs	597	689	408	1,694
	3,280	1,225	725	5,230

Net income for the period includes:

	Total 2021 £'000	Total 2020 £'000
Operating lease rentals	23	21
Depreciation	807	779
Fees payable to auditor for		
. Audit	12	12
. Other services	4	6

6 Charitable activities – Academy's educational operations

	2021 Total funds £'000	2020 Total funds £'000
Direct costs	4,296	3,528
Support costs	1,803	1,694
	6,099	5,222
Analysis of support costs	2021 Total funds £'000	2020 Total funds £'000
Support staff costs	684	597
Depreciation	269	244
Technology costs	103	100
Premises costs	391	445
Legal costs – other	1	—
Other support costs	329	281
Governance costs	26	27
Total support costs	1,803	1,694

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

		Restricted funds				
	Notes	Un-restricted funds £'000	General fund £'000	Fixed assets fund £'000	2020 Total funds £'000	2019 Total funds £'000
Income from:						
Donations and capital grants	1	5	—	16	21	232
Charitable activities						
Funding for the Academy's educational operations	4	—	4,886	—	4,886	4,296
Other trading activities	2	5	—	—	5	11
Investments	3	3	—	—	3	1
Total income		13	4,886	16	4,915	4,540
Expenditure on:						
Raising funds	5	8	—	—	8	8
Charitable activities						
Academy's educational operations	6	—	4,443	779	5,222	5,127
Total expenditure		8	4,443	779	5,230	5,135
Net income (expenditure) before transfers		5	443	(763)	(315)	(595)
Transfers between funds	15	—	(70)	70	—	—
Net income (expenditure)		5	373	(693)	(315)	(595)
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	18	—	52	—	52	(92)
Net movement in funds		5	425	(693)	(263)	(687)
Reconciliation of funds						
Fund balances brought forward at 1 September 2019		19	317	27,096	27,432	28,119
Fund balances carried forward at 31 August 2020		24	742	26,403	27,169	27,432

8 Governors' remuneration and expenses

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

During the year ended 31 August 2021, there were no reimbursements to governors (2020 - £66 to one governor).

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

9 Staff costs**(a) Staff costs**

Staff costs during the period were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	3,010	2,398
Social security costs	316	234
Pension costs	759	580
	4,085	3,212
Supply staff costs	36	68
	4,121	3,280

(b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2021 was as follows:

Charitable activities	2021 No.	2020 No.
Teachers	51	41
Administration support	20	19
Management	1	1
	72	61

(c) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	5	2
£70,001 - £80,000	2	1
£90,001 - £100,000	—	1
£100,001 - £110,000	1	—
	8	4

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021 employer's pension contributions for these staff amounted to £133,468 (2020: £70,911).

(d) Key management personnel

The key management personnel of the Academy comprise the governors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £583,932 (2020: £571,846), relating to six (2020: six) members of the Senior Leadership Team and one (2020: one) staff governor who were not part of the Senior Leadership Team.

10 Governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as a governor. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration and other benefits, during their time as trustee, was as follows:

	2021 £'000	2020 £'000
R Ardron (Headteacher and Governor)		
. Remuneration	100 – 105	90 – 95
. Employer's pension contributions	20 – 25	20 – 25
E Sargent (Staff Governor)		
. Remuneration	55 – 60	50 – 55
. Employer's pension contributions	10 – 15	10 – 15

11 Governors' and Officers' insurance

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

12 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture, and equipment £'000	Computer equipment £'000	Total funds £'000
Cost				
At 1 September 2020	26,875	943	589	28,407
Additions	—	5	184	189
At 31 August 2021	26,875	948	773	28,596
Depreciation				
At 1 September 2020	1,075	445	484	2,004
Charge in year	538	176	93	807
At 31 August 2021	1,613	621	577	2,811
Net book value				
At 31 August 2021	25,262	327	196	25,785
At 31 August 2020	25,800	498	105	26,403

13 Debtors

	2021 £'000	2020 £'000
Trade debtors	2	2
VAT recoverable	58	32
Prepayments and accrued income	320	167
	380	201

14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	265	187
Taxation and social security	88	68
VAT creditor	—	—
ESFA creditor: abatement of GAG	232	71
Capital creditors	73	13
Other creditors	—	—
Accruals and deferred income	264	343
	922	682

15 Restricted funds

	At 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	1,237	4,529	(4,371)	—	1,395
Pupil Premium	—	220	(220)	—	—
UIFSM	—	19	(19)	—	—
Catch-up premium	—	45	(45)	—	—
Other DfE/ESFA COVID-19 funding	—	34	(34)	—	—
Local authority funds	—	117	(117)	—	—
Other grants	—	308	(308)	—	—
Pension reserve	(495)	—	(178)	(135)	(808)
	742	5,272	(5,292)	(135)	587
Restricted fixed asset funds					
Donated assets	26,124	45	(572)	—	25,597
DfE/ESFA capital grants	196	267	(176)	—	287
Capital expenditure from GAG	83	—	(59)	—	24
	26,403	312	(807)	—	25,908
Total restricted funds	27,145	5,584	(6,099)	(135)	26,495
Unrestricted funds					
General funds	24	16	—	—	40
Total unrestricted funds	24	16	—	—	40
Total funds	27,169	5,600	(6,099)	(135)	26,535

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

ESFA revenue grant fund and other restricted funds*General Annual Grant (GAG)*

Under the funding agreement with the secretary of state, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

15 Restricted funds (continued)**Fixed asset fund**

These funds are for the purchase of fixed assets.

Comparative information

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

	At 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2020 £'000
<i>Restricted general funds</i>					
General Annual Grant (GAG)	722	4,146	(3,561)	(70)	1,237
Pupil Premium	—	230	(230)	—	—
Other DfE/ESFA COVID-19 funding	—	46	(46)	—	—
Local Authority Funds	—	81	(81)	—	—
Other grants	—	383	(383)	—	—
Pension reserve	(405)	—	(142)	52	(495)
	<u>317</u>	<u>4,886</u>	<u>(4,443)</u>	<u>(18)</u>	<u>742</u>
<i>Restricted fixed asset funds</i>					
Donated assets	26,665	—	(541)	—	26,124
DfE/ESFA capital grants	359	16	(179)	—	196
Capital expenditure from GAG	72	—	(59)	70	83
	<u>27,096</u>	<u>16</u>	<u>(779)</u>	<u>70</u>	<u>26,403</u>
 <i>Total restricted funds</i>	 <u>27,413</u>	 <u>4,902</u>	 <u>(5,222)</u>	 <u>52</u>	 <u>27,145</u>
<i>Unrestricted funds</i>					
General funds	19	13	(8)	—	24
<i>Total unrestricted funds</i>	<u>19</u>	<u>13</u>	<u>(8)</u>	<u>—</u>	<u>24</u>
 <i>Total funds</i>	 <u>27,432</u>	 <u>4,915</u>	 <u>(5,230)</u>	 <u>52</u>	 <u>27,169</u>

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	25,785	25,785
Current assets	40	2,317	123	2,480
Current liabilities	—	(922)	—	(922)
Pension scheme liability	—	(808)	—	(808)
Total net assets	40	587	25,908	26,535
	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2020 £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	26,403	26,403
Current assets	24	1,919	—	1,943
Current liabilities	—	(682)	—	(682)
Pension scheme liability	—	(495)	—	(495)
Total net assets	24	742	26,403	27,169

17 Members' Liability

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

18 Related party transactions

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

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

The Academy paid LDBS for DBS checking, school support and recruitment support totalling £5,550 during the year ended 31 August 2021 (2020: £1,325). These services were provided at cost.

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

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

19 Pension and similar obligations

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

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

Contributions amounting to £70,572 were payable to the schemes at 31 August 2021 (2020: £nil) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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.

19 Pension and similar obligations (continued)***Valuation of the Teachers' Pension Scheme (continued)***

The employer's pension costs paid to TPS in the period amounted to £492,000 (2020: £389,000).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £142,000 (2020: £100,000), of which employer's contributions totalled £104,000 (2020: £72,000) and employees' contributions totalled £38,000 (2020: £28,000). The agreed contribution rates for future years are 23.8% for employers and 5.5% to 12.5% for employees, depending on the salary band.

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

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.85%	3.20%
Rate of increase for pensions in payment / inflation	2.85%	2.20%
Discount rate for scheme liabilities	1.70%	1.65%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.6	21.8
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.7	25.9

19 Pension and similar obligations (continued)***Local Government Pension Scheme (LGPS) (continued)***

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

	At 31 August 2021 £'000	At 31 August 2020 £'000
Sensitivity analysis		
Discount rate +0.1%	(42)	(35)
Discount rate -0.1%	44	37
Mortality assumption – 1 year increase	48	40
Mortality assumption – 1 year decrease	(47)	(39)
Pension increase +0.1%	43	36
Pension decrease -0.1%	(42)	35

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

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	639	428
Bonds	—	84
Property	109	53
Cash and other liquid assets	55	3
Other	30	—
Total market value of assets	833	568
Present value of scheme liabilities	(1,641)	(1,063)
Deficit in the scheme	(808)	(495)

The actual return on scheme assets was £114,000 (2020: £49,000).

	2021 £'000	2020 £'000
Amounts recognised in statement of financial activities		
Current service cost	275	207
Interest income	(11)	(9)
Interest cost	18	16
Total amount recognised in the SOFA	282	214

19 Pension and similar obligations (continued)**Local Government Pension Scheme (LGPS) (continued)**

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September 2020	1,063	840
Current service cost	275	207
Interest cost	18	16
Employee contributions	38	28
Actuarial loss (gain)	238	(28)
Benefits paid	9	—
At 31 August 2021	1,641	1,063

Changes in the fair value of the Academy's share of scheme assets:	2021 £'000	2020 £'000
At 1 September 2020	568	435
Interest income	11	9
Actuarial gain	103	24
Employer contributions	104	72
Employee contributions	38	28
Benefits paid	9	—
At 31 August 2021	833	568

20 Commitments under operating leases

The Academy has the following commitments for equipment

Due within	2021 £'000	2020 £'000
Under one year	12	12
Between one and five years	—	12
	12	24

21 Post Balance Sheet Event

Following the financial year end, the academy trust entered into a lease agreement for a new sixth form building prior to the signing of the financial statements.