

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

P. J. Hamington

Dr. W. K.
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THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Members	The Very Revd Julian Large (Chairman) The Revd George Bowen The Revd Rupert McHardy The Revd Michael Lang The Rev Edward van den Burgh
Governors	Heather Alston Charles Doyle ¹ Hemish Gunasekara Paul Harrington, Chairman ¹ Ward McKimm ¹ Mrs Rosa Kummelstedt The Very Revd Julian Large Paolo Manca ¹ Gerard O'Doherty ¹ Vera Pellegrin ¹ Dominic Sullivan Bridget Tussaud Peter Ward Daniel Wright, Headmaster ¹ Andrew Zarraga, Vice-chairman ¹ ¹ Member of the Finance & Resources Committee
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 Eilis Devaney, Assistant Head Dr Gary Howells, Assistant Head Stefan Marty, Assistant Head Peter Sircar, Director of Finance and Operations
Company registered number	7700776
Company name	The London Oratory School
Principal and registered office	Seagrave Road London SW6 1RX
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' 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 1,350 pupils on roll as on census day, 18 January 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 throughout the year except as noted are included in the Reference and Administrative Details on page 1.

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.

Governors' 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.

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.

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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.)

Policies and Procedures 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.

Organisational Structure

The organisational structure of the Academy consists of two levels:

- The Governing Body, which includes the Headmaster
- The Senior Staff group, as detailed on page 1

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).

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FOR THE YEAR ENDED 31 AUGUST 2020

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:

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 comprises 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.

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.

Trade union facility time

The School had no employees who were relevant trade union officials during the year, and therefore incurred no costs in relation to paid facility time.

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Connected Organisations, included Related Party Relationships

The London Oratory Charity owns the land on which the Academy is situated.

The Friends of the London Oratory School (FLOS) was established as a charity in 2000. Its objects are to promote and further the charitable aims and objectives of The London Oratory School and the welfare and education of the registered pupils in attendance at The London Oratory School. It oversees the management of a Parental Contribution Scheme raising funds primarily from parents and remitting these funds to The London Oratory School as required. Some of the Trustees of FLOS are Trustees of The London Oratory School.

The London Oratorians run events primarily for former pupils of The London Oratory School. It maintains a Pupil Support Fund which is a way for former pupils to support current pupils in need.

The Foundation was registered as a charity on 30 July 2014. Its objects are to provide financial assistance and support to The London Oratory School in particular by making grants to support the upkeep and development of the school's facilities. The Foundation was launched in April 2015 and has had some significant fundraising success.

OBJECTIVES AND ACTIVITIES

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.

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'

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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:

- 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 manages and coordinates the annual England Under 16 rugby 7s tournament.
- 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 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.

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GOVERNORS' REPORT (continued)
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STRATEGIC REPORT

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
Percentage	90.96	86.96	84.88	88.1	87.36	92.09	85.55	90	96

Average points scored at KS5

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

Centre Assessed Grades for 2020 came in very 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. CAG are deemed irrelevant from an external quality assurance (Ofsted) point of view.

The school runs a varied and extensive co-curricular programme. Throughout the week over 60 sporting, arts and cultural activities take place. Almost every teacher in the school is directly involved in a co-curricular activity and all pupils are expected to take part in at least one activity.

There are opportunities for pupils of all ages and abilities to become involved in music and drama. There are various choirs, orchestras and bands, as well as lower school and senior dramatic productions. Other activities include debating, public speaking, programming, pottery, chess, Warhammer, pottery and model making. Many departments run Clubs and Societies linked to their subject such as Science Club, History Society and Literary Society. These give pupils the opportunity to develop and further their interests outside the curriculum.

In addition to this programme there is a wide range of sports offered for all ages and to both boys and girls. The main sport is rugby, but in addition to this we also offer water polo, athletics, cricket, hockey and netball, as well as opportunities to increase fitness before and after school in the multi-gym. The school runs an extensive Combined Cadet Force with cadets in both the Army and RAF.

The school is one of the largest state schools providing the Duke of Edinburgh's Award scheme which allows pupils from 4th to VI form challenge themselves in a new skill or activity, improve physical health and learn teamwork. In VI form pupils are involved in a community service programme that has resulted in an extensive network of placements in voluntary community based activities.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial 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

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The school monitors its performance against these KFPs 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.

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 2020 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the year ending 31 August 2020 total income of £9,826,319 (excluding restricted fixed asset funds) was less than expenditure of £10,001,555 (excluding fixed asset costs) by £175,236.

Reserves Policy

At 31 August 2020 the Academy held unrestricted reserves of £366,191 as well as other restricted funds of £10,907 the purpose of which is for the general objects of the Academy Trust. The school holds £272,131 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.

Investment Policy

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

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.

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GOVERNORS' REPORT (continued)
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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 impact of COVID-19 on the operational viability of schools, the additional staffing and hygiene costs incurred, the likely negative impact on attainment and achievement, especially for disadvantaged pupils, the negative impact on behaviour as pupils lose routines, structures and good habits, the negative impact of CAG on progression, the upskilling of the workforce required to ensure high quality continuity of education
- All schools were closed as part of the national lockdown due to the pandemic from 23 March 2020
- The School made the shift to compulsory live, interactive remote digital education for 4th form and lower sixth from 1 April 2020.
- The School made live, interactive remote digital education compulsory across all year groups from 1 June 2020
- Fourth form and lower sixth pupils returned to School from 15 June 2020, and Juniors from 6 July 2020
- Since the September re-opening 95% of staff and pupils have been attending daily
- The likelihood of Ofsted Inspection: strengthening of routine monitoring processes
- Infrastructure: the DT block roof

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.

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.

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.

FUNDRAISING

The School has not made 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 2020 – 2021

1. Financial management and Oversight: Implementing the recommendations of the School Resource Management Advisor (SRMA) to ensure efficiency savings
2. Operations and Estates Development: to improve home-school communications, by shift to paperless systems; condition improvement survey
3. Development, Fundraising and Alumni Relations: to implement Toucan Tech software to improve alumni relations and fundraising
4. Quality of Education: Reviewing the curriculum and implementing fully Integrated Curriculum and Financial Planning (ICFP) software, including a staffing restructure; ensuring inspection readiness through quality assurance visits; targeting and implementing catch-up funding; developing remote learning
5. Personal Development: implementation of character formation programme, including induction, RSE and

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- PSHE and involving parents more fully in RSE
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: getting the staffing right at senior level; using technology for core processes, e.g. Open Evening and Parent Teacher Meetings

AUDITORS

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 necessary to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Governors' Report, incorporating the Strategic Report, approved by order of the members of the Governing Body on 7 January 2021 and signed on its behalf by:

Paul Harrington
Chairman of Governors



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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.

The Governing Body 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. He is responsible for reporting to the Governing Body 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 Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
C Doyle	5	5
H Gunasekara	5	5
P Harrington	5	5
Mrs R Kummelstedt	5	5
Very Revd J Large	3	5
W McKimm	3	5
G O'Doherty	3	5
D Sullivan	5	5
B Tussaud	5	5
P Ward	5	5
A Zarraga	5	5
H Alston	4	5
D Wright	5	5
P Manca	1	5
V Pellegrin	4	5

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GOVERNANCE STATEMENT (continued)

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.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
P Manca	2	4
P Harrington	3	4
C Doyle	4	4
D Wright	4	4
A Zarraga	4	4
V Pellegrin	0	4
W Mckimm	0	4
P Sircar	4	4

Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Trust 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Governing Body on 7 January 2021 and signed on their behalf, by:

Paul Harrington
Chairman of Governors

Daniel Wright
Accounting Officer and Headmaster



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 Trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

Daniel Wright
Accounting Officer and Headmaster

Date: 7 January 2021



A handwritten signature in black ink, appearing to read 'Dan Wright', with a horizontal line underneath.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 Annual Accounts Direction issued by the Education & 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 2019 to 2020;
- make judgments 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 Governing Body on 7 January 2021 and signed on its behalf by:



Paul Harrington
Chairman 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 Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 to 2020 issued by the Education & 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 Trust 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

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

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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 Auditors' 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.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

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

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.

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 has 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 Trust 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 Statement of Governors' Responsibilities, the Governors (who are also the directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

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

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.

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 Trust'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 Trust'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 Trust 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
10 Queen Street Place
London
EC4R 1AG
7 January 2021

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 27 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The London Oratory School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The London Oratory School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The London Oratory School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The London Oratory School and the 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 credit card statements and expense claims.
- Review of minutes and related party declarations provided by Governors and senior management.

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Haysmacintyre LLP

Reporting Accountant

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

7 January 2021

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	2	431,592	-	47,567	479,159	601,576
Charitable activities:						
Academy's educational operations	3	1,044,583	8,334,145	-	9,378,728	9,292,309
Other trading activities	4	13,221	-	-	13,221	18,046
Investments	5	2,778	-	-	2,778	3,972
Total income		1,492,174	8,334,145	47,567	9,873,886	9,915,903
Expenditure on:						
Raising funds		5,674	-	-	5,674	19,956
Charitable activities:						
Academy's educational operations	6	1,168,088	8,827,793	143,813	10,139,694	10,264,242
Total expenditure	6	1,173,762	8,827,793	143,813	10,145,368	10,284,198
Net income / (expenditure) before transfers						
Transfers between Funds	15	318,412 (222,648)	(493,648) 222,648	(96,246) -	(271,482) -	(368,295) -
Net income / (expenditure) before other recognised gains and losses						
		95,764	(271,000)	(96,246)	(271,482)	(368,295)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	31,000	-	31,000	(488,000)
Net movement in funds		95,764	(240,000)	(96,246)	(240,482)	(856,295)
Reconciliation of funds:						
Total funds brought forward		270,427	(1,899,093)	272,131	(1,356,535)	(500,240)
Total funds carried forward		366,191	(2,139,093)	175,885	(1,597,017)	(1,356,535)

All of the Academy's activities derive from continuing operations during the above two financial periods. The accompanying notes form part of these accounts.

Comparative figures for unrestricted and restricted funds are shown in note 23.

THE LONDON ORATORY SCHOOL
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REGISTERED NUMBER: 7700776

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		109,610		145,541
Investments	12		2		2
			109,612		145,543
Current assets					
Debtors	13	398,676		295,429	
Cash at bank and in hand		619,704		478,872	
		1,018,380		774,301	
Creditors: amounts falling due within one year	14	(575,009)		(366,379)	
Net current assets			443,371		407,922
Total assets less current liabilities			552,983		553,465
Defined benefit pension scheme liability	20		(2,150,000)		(1,910,000)
Net liabilities including pension scheme liabilities			(1,597,017)		(1,356,535)
Funds of the academy					
Restricted income funds:					
Restricted income funds	15	10,907		10,907	
Restricted fixed asset funds	15	175,885		272,131	
Restricted income funds excluding pension liability		186,792		283,038	
Pension reserve		(2,150,000)		(1,910,000)	
Total restricted income funds			(1,963,208)		(1,626,962)
Unrestricted income funds	15		366,191		270,427
Total deficit			(1,597,017)		(1,356,535)

The financial statements on pages 22 to 45 were approved by the Governors, and authorised for issue, on 7 January 2021 and are signed on their behalf, by:

Paul Harrington
Chairman of Governors



THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	142,733	(133,234)
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,778	3,972
Purchase of tangible fixed assets		(52,246)	(23,932)
Capital grants from DfE/ESFA		47,567	99,774
Net cash (used in)/provided by investing activities		(1,901)	79,814
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		140,832	(53,420)
Cash and cash equivalents carried forward	18	478,872	532,292

THE LONDON ORATORY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

The London Oratory School constitutes a public benefit entity as defined by FRS 102.

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 Trust 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust'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 income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants receivable

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE LONDON ORATORY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

Donated services and gifts in kind

The school has taken the decision not to incorporate the gift in kind associated with the ongoing use of the land and buildings of the school. The governors believe it is not possible to obtain an accurate measure of the current market value of any associated rental and therefore have decided to omit this from the financial statements.

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 Trust 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 Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

THE LONDON ORATORY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating Income and Expenditure Account.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Investments

The academy's shareholding in the wholly owned subsidiary, Turnout Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

The academy also holds controlling voting rights over The London Oratory School Foundation, a company limited by guarantee and registered in England and Wales. No balance is included within the balance sheet as the Academy hold no share capital.

Neither of these entities is material to these financial statements and as such these companies are not consolidated. The results of these entities is further disclosed within note 12.

1.9 Taxation

The Academy Trust 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 Trust 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.

THE LONDON ORATORY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

1.10 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. 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/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account 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.

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

THE LONDON ORATORY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

1.12 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The School has taken the decision to not recognise its land and buildings on its balance sheet on the basis that the ownerships resides with an external charity.

2. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital Grants	-	-	47,567	47,567	99,774
Schola donations	59,367	-	-	59,367	108,994
Other donations	372,225	-	-	372,225	392,808
	<u>431,592</u>	<u>-</u>	<u>47,567</u>	<u>479,159</u>	<u>601,576</u>
Total 2019	<u>483,802</u>	<u>18,000</u>	<u>99,774</u>	<u>601,576</u>	

THE LONDON ORATORY SCHOOL
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3. Funding for Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	7,719,553	7,719,553	7,710,203
Other DfE/ESFA grants	-	451,951	451,951	71,543
	<u>-</u>	<u>8,171,504</u>	<u>8,171,504</u>	<u>7,781,746</u>
Other Government grants				
Statemented Funding	-	162,641	162,641	222,858
	<u>-</u>	<u>162,641</u>	<u>162,641</u>	<u>222,858</u>
Other funding				
Other income from the academy trust's educational operations	1,044,583	-	1,044,583	1,287,705
	<u>1,044,583</u>	<u>-</u>	<u>1,044,583</u>	<u>1,287,705</u>
	<u>1,044,583</u>	<u>8,334,145</u>	<u>9,378,728</u>	<u>9,292,309</u>
Total 2019	<u><u>1,287,704</u></u>	<u><u>8,004,605</u></u>	<u><u>9,292,309</u></u>	

4. Other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Arts Centre	13,221	-	13,221	18,046
	<u>13,221</u>	<u>-</u>	<u>13,221</u>	<u>18,046</u>
Total 2019	<u><u>18,046</u></u>	<u><u>-</u></u>	<u><u>18,046</u></u>	

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FOR THE YEAR ENDED 31 AUGUST 2020

5. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	2,778	-	2,778	3,972
Total 2019	3,972	-	3,972	

6. Expenditure

	Staff costs 2020 £	Premises 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising					
Direct costs	-	-	5,674	5,674	19,956
Support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	6,643,317	-	1,244,595	7,887,912	7,453,782
Support costs	563,288	638,323	1,050,171	2,251,782	2,810,460
	7,206,605	638,323	2,300,440	10,145,368	10,284,198
Total 2019	6,951,961	785,293	2,546,944	10,284,198	

	2020 £	2019 £
Net income/(expenditure) for the year include:		
Operating leases	(4,314)	(7,436)
Depreciation	(88,177)	(68,194)
Fees payable to auditor - audit	(12,500)	(11,900)
- other services	(4,605)	(2,525)

Included in expenditure are cumulative debts written off totals £nil (2019: £616). These items related to lunch monies written off for pupils who have left the school.

Included in expenditure are cumulative gifts totalling £1,294 (2019: £732). These gifts included flowers for staff who had had babies and gifts to senior clergy who officiated at school Masses.

Included in expenditure are fixed asset losses totalling £nil (2019: £20,191). These losses arose from the disposal of rowing equipment during the year.

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7. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Academy's educational operations	7,887,912	2,251,782	10,139,694	10,264,242
Total 2019	<u>7,453,782</u>	<u>2,810,460</u>	<u>10,264,242</u>	

Analysis of support costs

	Total 2020 £	Total 2019 £
Support staff costs	563,288	580,482
Technology costs	21,989	37,016
Premises costs	638,323	785,293
Catering	521,383	803,630
Other support costs	506,799	596,364
Governance costs	-	7,675
	<u>2,251,782</u>	<u>2,810,460</u>
At 31 August 2019	<u>2,810,460</u>	

THE LONDON ORATORY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Staff costs

a. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	5,310,004	5,122,033
Social security costs	541,180	545,441
Operating costs of defined benefit pension schemes	1,101,183	726,791
	<u>6,952,367</u>	<u>6,394,265</u>
Supply staff costs	254,238	557,696
	<u><u>7,206,605</u></u>	<u><u>6,951,961</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	133	112
Administration and Support	35	35
Management	3	6
	<u>171</u>	<u>153</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	8	7
In the band £70,001 - £80,000	4	4
In the band £80,001 - £90,000	2	2
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

Fourteen of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £146,043 (2019 - £101,890). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £10,225 (2019 - £11,563).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £837,084 (2019: £807,712).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2020 £	2019 £
Daniel Wright, Headmaster	Remuneration	110,000-115,000	100,000-105,000
	Pension contributions paid	25,000-30,000	15,000-20,000
Hemish Gunasekara	Remuneration	65,000-70,000	60,000-65,000
	Pension contributions paid	15,000-20,000	10,000-15,000
Dominic Sullivan	Remuneration	45,000-50,000	55,000-60,000
	Pension contributions paid	10,000-15,000	5,000-10,000

During the year ended 31 August 2020 their travel and subsistence expenses totalled £nil (2019 - £nil).

10. Governors' and Officers' Insurance

The academy trust 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 trustees 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.

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11. Tangible fixed assets

	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2019	276,849	358,188	2,583	637,620
Additions	20,960	31,286	-	52,246
Disposals	-	-	(2,583)	(2,583)
At 31 August 2020	<u>297,809</u>	<u>389,474</u>	<u>-</u>	<u>687,283</u>
Depreciation				
At 1 September 2019	204,775	284,721	2,583	492,079
Charge for the year	47,247	40,930	-	88,177
On disposals	-	-	(2,583)	(2,583)
At 31 August 2020	<u>252,022</u>	<u>325,651</u>	<u>-</u>	<u>577,673</u>
Net book value				
At 31 August 2020	<u>45,787</u>	<u>63,823</u>	<u>-</u>	<u>109,610</u>
At 31 August 2019	<u>72,074</u>	<u>73,467</u>	<u>-</u>	<u>145,541</u>

The Academy Trust company occupies land (including buildings) which are owned by The London Oratory Charity. The Academy Trust occupies the land (and buildings) under a mere licence. The London Oratory Charity has given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years' notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the Governors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the Academy Trust.

12. Investments

	2020 £	2019 £
Investment in subsidiary	<u>2</u>	<u>2</u>

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

Turnout Limited is in the process of being struck off, and therefore the result for the year ended 31 March 2019 are the most recent available data published.

The results of The London Oratory School Foundation for the year ended 31 August 2020 have been summarised below.

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FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Income	14,340	41,222
Expenditure	(2,649)	(22,963)
Surplus	<u>11,691</u>	<u>18,259</u>
Retained profit brought forward	103,629	85,370
Retained profit carried forward	<u><u>115,320</u></u>	<u><u>103,629</u></u>

Its balance sheet for the year, as extracted from the audited accounts as at 31 August 2020, is summarised below:

Current assets	119,355	107,664
Less current liabilities	(4,035)	(4,035)
Net assets	<u><u>115,320</u></u>	<u><u>103,629</u></u>

13. Debtors

	2020 £	2019 £
Prepayments and accrued income	344,957	249,959
VAT recoverable	53,719	45,470
	<u>398,676</u>	<u>295,429</u>

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	203,603	48,283
Other taxation and social security	269,112	240,016
Other creditors	3,405	2,713
Accruals and deferred income	98,889	75,367
	<u>575,009</u>	<u>366,379</u>

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15. Statement of funds

	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 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 of funds	<u><u>(1,356,535)</u></u>	<u><u>9,873,886</u></u>	<u><u>(10,145,368)</u></u>	<u><u>-</u></u>	<u><u>31,000</u></u>	<u><u>(1,597,017)</u></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 that it could carry forward at 31 August 2020.

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.

THE LONDON ORATORY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	258,025	1,793,525	(1,397,861)	(383,262)	-	270,427
Restricted funds						
General Annual Grant (GAG)	-	7,710,203	(8,093,465)	383,262	-	-
Other DfE/ESFA/LA grants	-	294,401	(294,401)	-	-	-
Other restricted funds (Govs)	11,880	-	(973)	-	-	10,907
Other restricted funds (Fdn)	-	18,000	(18,000)	-	-	-
Pension reserve	(1,148,000)	-	(274,000)	-	(488,000)	(1,910,000)
	<u>(1,136,120)</u>	<u>8,022,604</u>	<u>(8,680,839)</u>	<u>383,262</u>	<u>(488,000)</u>	<u>(1,899,093)</u>
Restricted fixed asset funds						
DfE Group capital grants	188,053	99,774	(137,304)	-	-	150,523
Capital expenditure from GAG	189,802	-	(68,194)	-	-	121,608
Total restricted funds	<u>(758,265)</u>	<u>8,122,378</u>	<u>(8,886,337)</u>	<u>383,262</u>	<u>(488,000)</u>	<u>(1,626,962)</u>
Total of funds	<u><u>(500,240)</u></u>	<u><u>9,915,903</u></u>	<u><u>(10,284,198)</u></u>	<u><u>-</u></u>	<u><u>(488,000)</u></u>	<u><u>(1,356,535)</u></u>

16. Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	109,609	109,609
Fixed asset investments	-	-	2	2
Current assets	366,191	585,915	66,274	1,018,380
Creditors due within one year	-	(575,008)	-	(575,008)
Provisions for liabilities and charges	-	(2,150,000)	-	(2,150,000)
	<u>366,191</u>	<u>(2,139,093)</u>	<u>175,885</u>	<u>(1,597,017)</u>

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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2019 £	2019 £	2019 £	2019 £
Tangible fixed assets	-	-	145,541	145,541
Fixed asset investments	-	-	2	2
Current assets	270,427	377,286	126,588	774,301
Creditors due within one year	-	(366,379)	-	(366,379)
Provisions for liabilities and charges	-	(1,910,000)	-	(1,910,000)
	<u>270,427</u>	<u>(1,899,093)</u>	<u>272,131</u>	<u>(1,356,535)</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the year (as per Statement of Financial Activities)	(271,482)	(368,295)
Adjustment for:		
Depreciation charges	88,177	68,194
Dividends, interest and rents from investments	(2,778)	(3,972)
Increase in debtors	(103,247)	(101,586)
Increase in creditors	208,630	98,199
Capital grants from DfE and other capital income	(47,567)	(99,774)
Defined benefit pension scheme cost less contributions payable	237,000	245,000
Defined benefit pension scheme finance cost	34,000	29,000
Net cash provided by/(used in) operating activities	<u>142,733</u>	<u>(133,234)</u>

18. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	619,704	478,872
Total	<u>619,704</u>	<u>478,872</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. 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.

20. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The London Borough of Hammersmith and Fulham. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £904,973 (2019: £620,044).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the

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NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments (continued)

implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £195,000 (2019 - £160,589), of which employer's contributions totalled £138,000 (2019 - £106,747) and employees' contributions totalled £57,000 (2019 - £53,842). The agreed contribution rates for future years are 15.9 percent for employers and 5.5 percent and 9.9 percent for employees based on income.

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:

	2020	2019
Rate of increase in salaries	3.30 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Discount rate for scheme liabilities	1.60 %	1.85 %
Inflation assumption (CPI)	2.30 %	2.20 %

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

	2020	2019
Retiring today		
Males	21.8	23.4
Females	24.4	24.8
Retiring in 20 years		
Males	23.2	25.1
Females	25.9	26.6

	At 31 August 2020 £	At 31 August 2019 £
Sensitivity analysis		
Discount rate +0.1%	(168,000)	(141,000)
Discount rate -0.1%	172,000	144,000

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20. Pension commitments (continued)

Mortality assumption - 1 year increase	273,000	247,000
Mortality assumption - 1 year decrease	(263,000)	(238,000)
CPI rate +0.1%	155,000	128,000
CPI rate -0.1%	(152,000)	(125,000)

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	2,167,000	2,181,000
Cash plus funds	598,000	1,206,000
Cash	340,000	127,000
Property	498,000	445,000
Other	1,289,000	546,000
	<u>4,892,000</u>	<u>4,505,000</u>
Total market value of assets	<u>4,892,000</u>	<u>4,505,000</u>

The actual return on scheme assets was £281,000 (2019 - £197,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2020 £	2019 £
Current service cost (Net of employee contributions)	316,000	318,000
Net interest cost	34,000	29,000
	<u>350,000</u>	<u>347,000</u>
Total	<u>350,000</u>	<u>347,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	6,415,000	5,297,000
Current service cost	373,000	372,000
Interest cost	118,000	141,000
Employee contributions	57,000	54,000
Actuarial losses	194,000	573,000
Benefits paid	(115,000)	(22,000)
	<u>7,042,000</u>	<u>6,415,000</u>
Closing defined benefit obligation	<u>7,042,000</u>	<u>6,415,000</u>

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20. Pension commitments (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

	2020 £	2019 £
Opening fair value of scheme assets	4,505,000	4,149,000
Interest income	84,000	112,000
Actuarial losses	225,000	85,000
Employer contributions	138,000	128,000
Employee contributions	57,000	54,000
Benefits paid	(115,000)	(22,000)
Administration costs	(2,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	4,892,000	4,505,000
	<hr/> <hr/>	<hr/> <hr/>

21. Operating lease commitments

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

	2020 £	2019 £
Amounts payable:		
Amounts due within one year	-	1,016
	<hr/> <hr/>	<hr/> <hr/>

22. 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 9.

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(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £
Income from:				
Donations and capital grants	483,802	18,000	99,774	601,576
Charitable activities:	-	-	-	-
Academy's educational operations	1,287,705	8,004,604	-	9,292,309
Other trading activities	18,046	-	-	18,046
Investments	3,972	-	-	3,972
Total Income	<u>1,793,525</u>	<u>8,022,604</u>	<u>99,774</u>	<u>9,915,903</u>
Expenditure on:				
Raising funds	19,956	-	-	19,956
Charitable activities:	-	-	-	-
Academy's educational operations	1,377,905	8,680,839	205,498	10,264,242
Total Expenditure	<u>1,397,861</u>	<u>8,680,839</u>	<u>205,498</u>	<u>10,284,198</u>
Net income/(expenditure) before transfers	395,664	(658,235)	(105,724)	(368,295)
Transfers between funds	(383,262)	383,262	-	-
Net expenditure for year	<u>12,402</u>	<u>(274,973)</u>	<u>(105,724)</u>	<u>(368,295)</u>
Other recognised (losses)/gains				
Actuarial (losses)/ gains on defined benefit pension schemes	-	(488,000)	-	(488,000)
Net movement in funds	12,402	(762,973)	(105,724)	(856,295)
Reconciliation of funds				
Funds brought forward at 1 September 2018	258,025	(1,136,120)	377,855	(500,240)
	-	-	-	-
Funds carried forward at 31 August 2019	<u><u>270,427</u></u>	<u><u>(1,899,093)</u></u>	<u><u>272,131</u></u>	<u><u>(1,356,535)</u></u>

THE LONDON ORATORY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets measured by amortised costs	53,719	45,470
Financial liabilities measured by amortised costs	<u>575,009</u>	<u>366,377</u>

Financial assets measured at amortised cost include VAT recoverable.

Financial liabilities measured at amortised costs include trade creditors, other creditors and accrued balances.