

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS
PERIOD ENDED 31 AUGUST 2008

Company Registration No. 6142007
Charity Registration No. 1119613

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ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT

The Trustees present their report and the audited financial statements for the period ended 31 August 2008.

REFERENCE AND ADMINISTRATIVE INFORMATION

Governors

The Governors serving at the date of this report are as follows:

Ms H Alexander + #
Ms K Bingham (appointed 20 September 2007) * §
Mr C Clayton * # §
Mr R Cunis +
Mrs P Davies (appointed 20 September 2007) +
Dr EJ Garnett
Mr M de Giorgio (appointed 20 September 2007) +
Sir A Graham
Ms S Hamilton-Fairley +
Dr H Harris +
Mr D Hodson * §
Ms A Hohler (appointed 20 September 2007) *
The Hon H Palmer (Chairman) + * #
Miss J Portrait (appointed 20 September 2007) *
Prof C Roueche (appointed 13 June 2008)

+ Members of the Education and Development Committee

* Members of the Finance and Estates Committee

Members of the Nominations Committee

§ Members of the Investment Committee

The Clerk to the Governors
and Company Secretary

Mrs M McGregor

High Mistress

Ms C Farr

Deputy Head – Director of Studies

Mrs K Clanchy

Deputy Head – Pupil Welfare & Development

Mrs W Furniss

Registered Office and Advisers

Registered Office:

St Paul's Girls' School
Brook Green
London
W6 7BS

Bankers:

Allied Irish Bank
9/10 Angel Court
London EC2R 7AB

Solicitors:

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)
REFERENCE AND ADMINISTRATIVE INFORMATION (continued)
Registered Office and Advisers (continued)

Auditors: Horwath Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Investment Manager: Barclays Private Bank
1 Churchill Place
London E14 5HP

Actuary: Barnett Waddingham
Cheapside House
138 Cheapside
London EC2V 6BW

Insurance Brokers: HSBC Insurance Brokers Ltd
Rockwood House
9-17 Perrymount Road
Haywards Heath
West Sussex RH16 3DU

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The school was incorporated as a charitable company limited by guarantee on 6 March 2007 (company number 6142007, registered charity 1119613). It commenced operations on 1 September 2007 following the transfer of assets and liabilities relating to the school from St Paul's Schools Foundation on the restructuring of the Foundation. The company is governed by its Memorandum and Articles of Association. The member of the charitable company is the Mercers' Company.

Governors

The Governors who served throughout the period, except where otherwise stated on page 1 were Ms H Alexander, Ms K Bingham, Mr C Clayton, Mr R Cunis, Mrs P Davies, Dr EJ Garnett, Mr M de Giorgio, Sir A Graham, Ms S Hamilton-Fairley, Dr H Harris, Mr D Hodson, Ms A Hohler, The Hon H Palmer, Miss J Portrait and Prof C Roueche.

Dr C Barlow, Prof J Barron, Prof P Cartledge, Mr F Hohler and Mr D Vermont retired on 20 September 2007.

Prof J Goodfellow retired on 13 June 2008.

The Governors meet at least once in each school term.

Recruitment, Induction and Training of Governors

As part of the restructuring process, a number of long-serving governors retired and new governors were appointed in their place. The Mercers' Company can appoint up to 19 Governors and the Board of Governors may appoint 2. Governors are selected by reference to their eligibility, personal competence and specialist skills. On appointment governors attend an induction programme at the school. During the course of the year there are further training sessions and recommendations are made about suitable courses for governors to attend. The Mercers' Company additionally organises training programmes for governors in conjunction with other schools in which The Mercers' Company has an interest.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Management

The Governors, as the directors of the company and trustees of the Charity, are responsible for the overall management of the school. Sub-committees, which meet at least twice a year, have been established as follows:

Education & Development Committee:

- consider matters relating to the education and welfare of pupils and make recommendations to the Board.

Finance & Estates Committee:

- monitor and review all aspects of financial performance and management
- advise on the development, use and maintenance of the whole school estate

Nominations Committee:

- review the structure, size and composition of the Board
- identify and nominate candidates for appointment to the Board. Two Governors are typically appointed directly by the Board with the remainder being appointed by the Mercers Company
- undertake an annual performance evaluation of the members of the Board
- initiate the process of searching for suitable persons to hold the office of High Mistress and Business Director

Investment Committee:

- advise and make recommendations to the Finance & Estates Committee in respect of all investment asset classes other than property and assets within the pension fund

The day to day management is delegated to the High Mistress supported by the Senior Management Team. The High Mistress reports once each school term, and on other occasions as required, to the Governors on the activities she has undertaken in managing the school. She attends the Finance & Estates Committee, the Education & Development Committee and the Nominations Committee meetings.

Risk Management

The Governors are responsible for identifying risks faced by the school. A formal review of the school's risk management controls is performed annually. The Governors are satisfied that there are systems in place to mitigate the risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Post Balance Sheet Event

On 1 September 2008 a transfer deed was signed in which the assets and liabilities of the St Paul's Girls' School Development Trust (registered charity number 312719) were transferred to St Paul's Girls' School. The funds will now be managed by the School's Board of Governors and any restrictions on the funds transferred will still apply. The work of the Development Office will continue but all funds will now be paid directly to the School.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects of the school, as stated in its governing document, are to promote in Greater London the education (including social and physical training) of girls and boys and in particular but without prejudice to the generality of the foregoing to conduct and maintain schools in or near to Greater London for girls and boys. The Governors shall pursue the objects of the school by running a girls' school and may only educate members of the opposite sex with the prior written consent of and subject to any restriction imposed by the Mercers' Company.

Aims and Intended Impact

The school's values and ethos are outlined in the prospectus and website. Academically selective on entry at age 11 or 16, in essence the school provides a stimulating and ambitious programme of study with a rich and diverse extra curricular programme, leading to GCSE and A Level. Expectations are high and the pace brisk, suiting those girls who have a lively intellect and enquiring mind. The school also has a strong commitment to the pastoral care of students and this was rated excellent in the ISI inspection report of 2007. Secular by foundation, the school has a liberal intellectual tradition which emphasises independent learning and a serious commitment to scholarship for its own sake.

Objectives for the Year

A strategic planning process is in place which involves wide consultation across the school community. A blue sky thinking day in April 2007 captured an overview of the school's strengths and weaknesses and provided the opportunity to set aspirations and goals for the future. Flowing from those discussions the school has adopted seven strategic aims covering all areas of its activity which are projected over the next four years 2008 – 12:

1. To offer an exceptional academic and cultural education for girls, which is both innovative and challenging, and which incorporates but goes well beyond the achieving of outstanding examination results
2. To create a cohesive and supportive yet outward looking community in which individuality, creativity and independence are valued, alongside a sense of responsibility to others, both within and beyond the school
3. To recruit students of conspicuous potential and to build the requisite resources to achieve an intake which reflects the social, cultural and economic diversity of the capital, aiming at a total roll of not more than 728
4. To attract and retain teaching and non teaching staff of the highest calibre, committed to delivering the school's vision
5. To continue to develop the existing site, technical infrastructure and management processes to meet the evolving educational needs of the school
6. To build stronger and more productive links with the wider SPGS community locally, nationally and internationally, to include parents, past parents and alumnae
7. To establish further and enhance the reputation of SPGS as the pre-eminent girls' day school, taking a lead in educational debate and policy development, nationally and internationally

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Strategies to achieve the year's objectives

Activities relating to the strategies above are carried forward by the school's extended senior management team of 9 and are set out in the iterative action plan document for the year. These have included:

- Establishing a system of five form entry at 11 to ensure smaller classes
- Introducing electronic systems for monitoring pupil progress
- Providing better arrangements and formal events to recognise the contributions of those leaving the school – improving "rites of passage"
- Improving open events to introduce prospective parents to the school
- Introducing a professional HR function
- Setting up a process for staff professional development
- Refurbishing and upgrading the kitchen and dining areas
- Reviewing the school's IT provision
- Redesigning the school's corporate literature and website
- Setting up a working partnership with a London maintained secondary school

Principal activities of the year (including public benefit)

The school is academically selective and educates girls from age 11-18. In September 2007 there were 711 students on roll with 203 of these in the senior school (sixth form). The school has an excellent rate of retention at 16+ with very small numbers leaving to go to other schools. Approximately 50 will apply to join the senior school each year and a few places are offered depending on spaces available.

A broad curriculum is offered including classical languages and Mandarin Chinese with significant strength in all academic areas. The school offers GCSE at 16 with its own, school directed courses in Art and Music. A level is the post 16 qualification pursued by all students.

The school has for many years shared its facilities with local groups and charities. For example, the Greenhouse Schools Project for children from disadvantaged backgrounds, the Da Capo Music School and several local primary schools.

During the year ended 31 August 2008, 67 girls received means-tested awards and bursaries, 17 girls received music scholarships and 37 girls received academic and art scholarships. Developing closer links with maintained primary schools and building a more significant fund enabling us to offer more bursaries is a major priority for the future.

A newly established relationship with Wembley High School is providing opportunities for students approaching GCSEs to attend enrichment classes at St Paul's and there have been some productive links established between academic departments at the two schools.

Awards-making policy

The school encourages candidates of particular academic potential to apply to the school and all applicants sit the same admissions process. The school has a system of financial assessment for those who do not have the means to pay the fees. Awards are made on the basis of detailed means testing which includes a home visit. Assessment is repeated annually.

Fundraising

During the year the St Paul's Girls' School Development Trust (SPGSDT) completed and closed its £10 million Centenary Campaign. This provided 6 new state of the art classrooms in the Celia Johnson building and new back stage areas for the theatre to provide a scenery dock, a wardrobe store, drama studio and dressing rooms. We were also able to modernise the theatre seating and its lighting system so that the school now has excellent facilities for the performing arts. In addition, Paulinas who attended the school during the war years were successful in raising sufficient funds to name one of the new English classrooms. All funds were raised in the name of SPGSDT and funds transferred to the School on a termly basis.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Fundraising (continued)

Thanks to the £3.4 million raised in donations or in future pledges by the Centenary Campaign we were able to start to build a bursary endowment. The endowed funds received have been invested with Cazenove acting as discretionary managers. The investment portfolio was transferred to the School on 1 September 2008 when the SPGSDT merged with the School. The school is most grateful to over 800 supporters who made this possible. A report was sent to all donors to let them know about these exciting developments.

During the spring and summer terms we continued to seek funds for bursaries in line with the governors' target to offer financial assistance eventually to 25% of girls in the school. This resulted in four new bursaries in September 2007 and six new bursaries for girls who will be starting in September 2008. In addition, 20 parents of girls of recent 8th leavers are collaborating to fund a girl starting in September 2008.

Annual progress reports were sent to donors and bursary syndicate members who are funding a further 25 bursaries.

In school, we collaborated to organise several fundraising events including a sponsored swim and sponsored walk in which the girls participated in raising funds for bursaries.

On 1 September 2008 the St Paul's Girls' School Development Trust was wound up. Following the separation of St Paul's Girls' School from St Paul's School, future fundraising can now be undertaken by the school in its own right.

Alumnae activities

The Development office organised a number of events for alumnae during the year. These included the Business Forum networking events in conjunction with St Paul's School: a Breakfast in the City, a speed networking event during the spring term and a barbeque during the summer term. The Development Office and Old Paulinas hosted a Cambridge admissions day in Cambridge for current pupils applying to Cambridge. Year Representatives for the 1980/1981 leavers organised a successful reunion lunch at the school. We were delighted to welcome 24 eminent Old Paulinas from across the generations to the oral archive day, at which current pupils studying History interviewed alumnae to form an oral archive record of past pupils' experiences of school life and beyond. Alumnae were also welcomed at school concerts, carol services and the Feast Day service.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the school

Once again St Paul's students achieved excellent results in public examinations at GCSE, AS and A level and the majority of students achieved places at their first choice of university. A level candidates achieved over 98% A and B grades with AS results in the top two grades at 97%. With GCSE results at over 81% A* this meant that these were some of the best in recent years. There were 47 offers from Oxford and Cambridge and several students accepted places at top American universities.

A rich programme of extra curricular activities particularly in Music, Drama and Sport was complemented by an extensive range of external visits and exchanges. The school welcomed a number of external speakers on a range of topics.

The traditional Christmas Concert was the culmination of the Autumn term's Music followed in the Spring by a scholars' concert, featuring our outstanding solo performers in their final year. We also enjoyed a songfest, wind serenade and strings concerts, as well as Parfitt piano day. The summer music programme brought the year to a close with a performance featuring our junior ensemble musicians.

Drama performances were as varied as ever and included a studio production of Ibsen's *A Doll's House*, a version of Aristophanes' *The Frogs* set in the 1970s, a senior school production of *The Revenger's Tragedy* and a production of Lorca's *Blood Wedding* was devised and directed by girls in their AS year as the traditional Colet Play. The year closed with a musical *The King and I*, featuring actors and musicians from across the school.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Operational performance of the school (continued)

In Art, students maintained their customary high standards achieving excellent results both in the school directed course which replaces GCSE and at A level. There were two major exhibitions showcasing these courses during the year which drew large numbers of visitors.

Sport continues to be an important part of school life with our lacrosse team winning the first division of the national school's championships in the spring. Students enjoy a wide range of competitive team and individual sports. Many girls have also reached an outstanding level in their chosen sports pursued outside school including fencing, sailing, climbing, skiing and tennis.

Other clubs and societies flourish covering most subject areas including History, Maths, Literature, Politics and Science, many of these being led by students. Speakers addressing the senior school as part of the Friday Lecture programme this year have included Nicholas Hytner, Director of the National Theatre, George Osborne MP Shadow Chancellor and Jane Portal, curator of the First Emperor Exhibition at the British Museum.

Paulinas have continued to pursue their education beyond the school gates. Visits and exchanges have taken place to a range of overseas destinations including Prague, Marseilles, Barcelona, Bonn, Berlin, Munich and Wittenberg. Our exchange programmes with schools in Sydney, Washington DC, Concord New Hampshire and New York have continued to offer a broadening of perspective and the chance to form friendships across the world.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

As a result of the restructuring of St Paul's Schools Foundation, on 1 September 2007, the assets and liabilities of St Paul's Girls' School, with the exception of the main School site which is held on a long lease from the Foundation to the School, were transferred.

The financial results of the company are presented on page 11 of this report. The School generated total net incoming resources of £2,691,000, of which £949,000 is unrestricted (before transfers between funds). The unrestricted surplus before transfers represents 9.0% of total unrestricted incoming resources compared with 10.4% in the previous year. A designated fund for bursaries and major capital repairs has been established (£96,000).

The total income for the year ended 31 August 2008 was £12,945,000 of which £9,542,000 was fee income. A total of £833,000 was received as restricted income for bursaries and £1,503,000 for buildings work. The total resources expended were £10,254,000, the most significant expense being staff costs which represents 67% of outgoing resources. Capital expenditure in the year was £1,289,000. The major work undertaken this financial year has been the refurbishment of the kitchens and dining room.

A transfer of £5,850,000 from restricted to unrestricted funds was made in the year as the restrictions for the capital expenditure have now been fulfilled, as the funds have been expended.

Reserves policy

The free reserves of the school comprise the unrestricted funds excluding the charitable operating properties and designated funds. The Governors consider that holding reserves of up to an average of four months of unrestricted total resources expended is an appropriate target. Free reserves at 31 August 2008, before taking the pension deficit into account totalled £3,582,000 which represents approximately four and a half months of total unrestricted resources expended. This is therefore in line with the target set by the Governors.

A designated fund representing 1% of gross fees has been established for bursaries and major capital repairs over the next ten years.

The defined benefit pension scheme for the non-teaching staff is in deficit amounting to £1,338,000 which impacts on the free reserves of the school disclosed above. The school has made additional contributions totalling £100,000 in the year.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Investments

Investment Committee

During the year an Investment Committee was formed as a sub committee of the Finance and Estates Committee. It has responsibility of overseeing the School's investments. Membership of the Committee comprises three Governors, all of whom have knowledge and experience of the financial markets. The first meeting was held on 21 July 2008 when draft terms of reference were considered and discussions on the existing and future investment portfolios, including those to be transferred on 1 September 2008 from the St Paul's Girls' School Development Trust, were held.

Investment Policy

The Governors as Trustees of the charity have the power to invest in such stocks, shares and property as appropriate to meet the objectives of the charity. The policy is for a medium risk approach for the Scholarship and Prize funds and for low risk for the Advance Fee Scheme. Free cash reserves are kept as cash deposits and are accumulated to fund the school's capital projects and maintenance of its premises.

The investment portfolios were managed on a discretionary basis by Barclays Wealth during the year. The above policies were reviewed in September 2008 when the investment committee considered more closely the required income and capital yields and also the position of external investment advisors to the School. Rothschild Private Management Limited was appointed as investment manager in October 2008.

Investment Performance against Objectives

The School's investments were all held in Barclays UK Balanced Portfolio Multi Manager Fund. Whilst the income generated was in line with previous years the capital growth of the fund was very disappointing and the total return of the investment underperformed against the market indices benchmark. This performance is considered unacceptable and the investments were transferred to Rothschild Private Management Limited in November 2008.

FUTURE PLANS

The strategic aims outlined above remain in place for the next four years and will inform future plans. St Paul's is constantly reviewing its educational provision, its resources and its facilities in line with the strategic objectives set out above.

Over the coming year we hope to begin work on a number of initiatives including the following:

- Reviewing the site and facilities and in particular addressing the refurbishment of the Singing Hall and Holst Music wing
- Reviewing our admissions procedures so as to provide an accurate assessment of all candidates, regardless of their current educational setting
- Extending our relationships with feeder schools in the maintained sector
- Building a more significant fund for the financing of bursaries
- Improving our communications at all levels both within the community and beyond, in particular developing closer links with our alumnae

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

TRUSTEES' REPORT (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following statements have been affirmed by each of the Trustees of the company:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Trustees and signed on their behalf by:

The Hon H Palmer
Chairman of Governors

11 December 2008



ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST PAUL'S GIRLS' SCHOOL

We have audited the financial statements of St Paul's Girls' School for the period ended 31 August 2008 set out on pages 11 to 26. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of St Paul's Girls' School for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP

Chartered Accountants & Registered Auditors

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

11/12/08

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)
For the period ended 31 August 2008

		Unrestricted	Restricted	Endowment	Total	Memorandum Total
Notes	Funds	Funds	Funds	Funds	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000
Incoming resources						
Incoming Resources from Charitable Activities:						
Fees	3	9,542	-	-	9,542	8,745
Other educational income		278	-	-	278	211
Grants		-	553	-	553	518
Incoming Resources from Generated Funds:						
Trading income		302	-	-	302	288
Rents		63	-	-	63	108
Investment Income	4	361	45	-	406	206
Donations, gifts and legacies		-	1,778	-	1,778	1,614
Other incoming resources		23	-	-	23	60
Total incoming resources		10,569	2,376	-	12,945	11,750
Resources expended						
Costs of generating funds:						
Trading		279	-	-	279	250
Financing		25	-	-	25	42
		304	-	-	304	292
Charitable Activities:						
Education		6,178	17	-	6,195	5,557
Welfare		605	-	-	605	604
Premises		1,495	-	-	1,495	1,490
Support costs of schooling		975	-	-	975	735
Grants, awards and prizes		2	617	-	619	611
		9,255	634	-	9,889	8,997
Governance costs		61	-	-	61	40
Total resources expended	5&6	9,620	634	-	10,254	9,329
Net incoming resources before transfers		949	1,742	-	2,691	2,421
Transfers between funds	8	5,850	(5,850)	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		6,799	(4,108)	-	2,691	2,421
Net gains/(losses) on investments	9	(8)	(2)	(99)	(109)	2
Pension scheme actuarial loss	19	(333)	-	-	(333)	-
Net movement in funds		6,458	(4,110)	(99)	2,249	2,423
Transfer from St Paul's Schools Foundation	2	5,392	4,455	1,069	10,916	
Fund balances at 31 August 2008		11,850	345	970	13,165	

The attached notes on pages 14 to 26 form an integral part of these accounts.

All of the school's activities represent continuing operations.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

BALANCE SHEET
As at 31 August 2008

		2008	2008	Memorandum	
	Notes	£'000	£'000	2007	2007
				£'000	£'000
Fixed assets					
Tangible assets	7		10,707		9,532
Investments	9		1,849		1,783
			<u>12,556</u>		<u>11,315</u>
Current assets					
Stock		146		130	
Debtors	10	322		228	
Cash		<u>4,994</u>		<u>2,486</u>	
		5,462		2,844	
Current liabilities					
Creditors: amounts falling due within one year	11	<u>(1,805)</u>		<u>(1,287)</u>	
Net current assets			<u>3,657</u>		<u>1,557</u>
Total assets less current liabilities			16,213		12,872
Creditors: amounts falling due after more than one year	12		<u>(1,710)</u>		<u>(1,422)</u>
Net assets excluding pension liability			14,503		11,450
Pension scheme liability	19		<u>(1,338)</u>		
Net assets including pension liability			<u>13,165</u>		
Funds					
Endowment	15,16		970		1,069
Restricted	15,16		345		4,455
Unrestricted	15,16		<u>13,188</u>		<u>5,926</u>
Total Funds before pension liability			14,503		<u>11,450</u>
Pension Scheme funding reserve	19		<u>(1,338)</u>		
Total Funds including deficit on pension scheme reserve			<u>13,165</u>		

The attached notes on pages 14 to 26 form an integral part of these accounts.

Approved by the Trustees and authorised for issue on 11 December 2008 and signed on their behalf by:





ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

CASH FLOW STATEMENT

For the period ended 31 August 2008

	Notes	2008	
		£'000	£'000
Net cash inflow from operating activities	20		3,474
Returns on investment and servicing of finance			
Dividends		44	
Interest received		362	
			406
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,289)	
Proceeds from sale of tangible fixed assets		2	
Purchase of investments		(330)	
Proceeds from sale of investments		155	
			(1,462)
Movement in cash before advance fees			2,418
New advance fees		363	
Amounts accrued to advance fee contracts		2	
Amounts utilised and repaid		(275)	
			90
Increase in cash			2,508
Transferred from St Paul's Schools Foundation			2,486
Cash at 31 August 2008			4,994

The attached notes on pages 14 to 26 form an integral part of these accounts.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS - 31 AUGUST 2008

1. STATEMENT OF ACCOUNTING POLICIES

Accounting basis

The accounts are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2005. They are drawn up under the historical cost convention as modified by the revaluation, at market value, of investments.

As stated in the Trustees' Report, the assets and liabilities relating to the School were transferred from St Paul's Schools Foundation on 1 September 2007 on the restructuring of the Foundation. Certain non-statutory memorandum comparative figures have been provided throughout the accounts in respect of the school's income, expenditure, assets and liabilities for the year ended 31 August 2007.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the services are provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the school, but include contributions received from bursaries and other trusts. Registration fees are non-refundable and are credited to income when received. Deposits are included as a liability until refunded or, on ceasing to be refundable, are credited to income. Advance fees are credited to income as and when they fall due.

Income

Rents are stated gross and are included on an accruals basis. Interest is included on an accruals basis. Dividends from investment funds are included as receivable on the due dates.

Donations

Donations received for the general purposes of the school are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Fund, or to Endowment Funds where the amount is held as permanent capital.

Investment gains and losses

Unrealised gains and losses for the period reflect the movement in market values. Realised gains and losses represent the difference between proceeds on disposal and the market value brought forward. All gains and losses are shown net in the Statement of Financial Activities.

Investments

Investments are stated at market value.

Resources Expended

All expenditure is included on an accruals basis and is allocated to activities on a direct basis. Support costs mainly represent office administration. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred. Governance costs comprise the costs of running the school, including strategic planning for its future development, external audit, legal advice and all the costs of complying with constitutional and statutory requirements.

Grants

Grants payable are charged in the year when the offer is conveyed to the recipient except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions have been fulfilled.

Operating leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Funds

The school has three types of fund:

- Endowment - where the capital is held in perpetuity to generate distributable income;
- Restricted - where the purposes for which the funds may be used have been restricted by donors; and
- Unrestricted - where the fund is not restricted as to use other than in furthering the objects of the school. These include Designated Funds, where the funds are unrestricted but the Trustees have designated them for a specific purpose.

Pension schemes

The school contributes to the Teachers' Pension Agency, costs being charged to the Statement of Financial Activities when incurred. The school also contributes to St Paul's Schools' Non-Teaching Staff Pension Fund. The school has fully adopted the requirements of Financial Reporting Standard 17. Following the closure of the Non-Teaching Staff defined benefits scheme to new members, certain Non-Teaching members of staff contribute into a separate defined contribution scheme. Costs associated with this scheme are charged to the Statement of Financial Activities when incurred.

Capitalisation and replacement

All assets purchased are included at their purchase price, together with any incidental expenses of acquisition. Assets with a cost below £5,000 are not capitalised.

Depreciation

Depreciation of assets is provided at rates to write off the cost over their estimated useful lives as follows:

Charitable properties	20-50 Years
Computers	4 Years
Furniture, fittings and equipment	5-10 years

Stock

Stock representing books, sports uniforms, stationery and kitchen supplies, is stated at the lower of cost and estimated realisable value.

2. TRANSFER FROM ST PAUL'S SCHOOLS FOUNDATION

As part of the restructuring of the Foundation previously described in the Trustees' Report, various assets and liabilities were transferred on 1 September 2007 to the school. These are detailed below

	£000's
i. Transfer of the school's net assets (see balance sheet memo comparative figures)	11,450
ii. Transfer of freehold residential properties	388
iii. Transfer of Non Teaching Staff Pension Scheme liabilities	<u>(922)</u>
TOTAL	<u>10,916</u>

The transfer of the freehold residential properties from St Paul's Schools Foundation has been dealt with as a de-merger at book value based on the principles of merger accounting set out in Financial Reporting Standard 6.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

3. FEES	2008	2007
Fees consist of:	£'000	£'000
Gross fees	9,929	9,032
Less: bursaries, grants and allowances	(920)	(775)
	<u>9,009</u>	<u>8,257</u>
Add: scholarships, grants, etc received from Restricted Funds	533	488
	<u>9,542</u>	<u>8,745</u>

4. INVESTMENT INCOME	2008	2007
	£'000	£'000
Dividends	44	74
Bank and building society interest	362	122
	<u>406</u>	<u>206</u>

5. TOTAL RESOURCES EXPENDED	2008	2007
	£'000	£'000
includes:		
Wages and salaries	5,373	4,685
Social Security costs	482	434
Pension costs	817	651
Peripatetic costs	111	73
	<u>6,783</u>	<u>5,843</u>
Staff benefits:		
Medical insurance	39	30
	<u>6,822</u>	<u>5,873</u>
Auditors' remuneration:		
For audit	22	16
Other	4	-

The average number of persons employed on a full-time equivalent basis by the charity during the year was:

Educational	89	90
Other	58	35
	<u>147</u>	<u>125</u>

The average number of persons employed excludes peripatetic staff whose numbers vary according to the teaching needs of the school.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

5. TOTAL RESOURCES EXPENDED (continued)

The Trustees have not received any emoluments or reimbursements during the period.

The number of employees whose emoluments exceeded £60,000 were:

	2008	2007
£60,000 - £69,999	5	2
£70,000 - £79,999	-	1
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	1	-

For the above staff, pension contributions amounting to £71,000 (2007: £44,000) were paid for the provision of defined benefits pension schemes. Of the above staff members, none have benefits accruing under defined contribution pension schemes.

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Deprec- iation £'000	2008 Total £'000	2007 Total £'000
Costs of generating funds:					
Trading costs	26	253	-	279	250
Financing costs	-	25	-	25	42
	26	278	-	304	292
Charitable Activities					
Education	5,127	990	78	6,195	5,557
Welfare	352	253	-	605	604
Premises	483	599	413	1,495	1,490
Support costs	834	141	-	975	735
Grants, awards and prizes	-	619	-	619	611
	6,796	2,602	491	9,889	8,997
Governance costs	-	61	-	61	40
	6,822	2,941	491	10,254	9,329

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

7. TANGIBLE ASSETS

	Charitable Properties £'000	Furniture Fittings & Equipment £'000	Computers £'000	Total £'000
Cost				
At 6 March 2007	-	-	-	-
Transferred from St Paul's Schools Foundation	9,522	1,220	165	10,907
Additions	680	596	43	1,319
Disposals	-	(147)	(46)	(193)
At 31 August 2008	10,202	1,669	162	12,033
Depreciation				
At 6 March 2007	-	-	-	-
Transferred from St Paul's Schools Foundation	528	383	106	1,017
Charge for the year	285	176	30	491
Disposals	-	(136)	(46)	(182)
At 31 August 2008	813	423	90	1,326
Net book value				
At 31 August 2008	9,389	1,246	72	10,707
At 6 March 2007	-	-	-	-

8. TRANSFER BETWEEN FUNDS

The transfer from restricted to unrestricted funds of £5,850,000 largely represents donations received in respect of the Centenary Buildings project. This transfer has been made as the project is now complete, the funds have been expended and therefore the restriction has been met

9. INVESTMENTS

	Listed Investments £'000
Valuations at 6 March 2007	-
Transferred from St Paul's Schools Foundation	1,783
Additions	330
Disposal proceeds	(155)
Losses on investments	(109)
As at 31 August 2008	1,849
Historical cost of Investments:	1,963

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

9. INVESTMENTS (continued)

Holdings representing more than 5% of the total market value are analysed as follows:

	£'000
Barclays UK Balanced Portfolio D GBP Dist	917
UK Govt 9% stock 13/10/2008 GBP 100	192
UK Govt 5.75% stock 07/12/2009 GBP 100	190
UK Govt 6.25% stock 25/11/2010 GBP 100	141
UK Govt 9% stock 2011 GBP 100	108
	<u>1,548</u>

10. DEBTORS

	2008	2007
	£'000	£'000
Fee debtors	5	8
Loans to staff	76	72
Sundry debtors	143	62
Prepayments	98	86
	<u>322</u>	<u>228</u>

The loans to staff mainly represent housing loans to teaching employees of the school. The loans are repayable over periods of 1 to 7 years and are interest-free, while employees remain at the school, otherwise interest is charged on the outstanding balance at commercial rates.

11. CREDITORS: due within one year

	2008	2007
	£'000	£'000
Trade creditors	687	381
Fees received in advance	325	162
Refundable deposits (note 13)	71	64
Advanced fees scheme (note 13)	221	238
Taxation and Social Security	143	139
Other creditors and accruals	358	303
	<u>1,805</u>	<u>1,287</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

12. CREDITORS: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Refundable deposits (note 13)	1,017	836
Advanced fees scheme (note 13)	693	586
	<u>1,710</u>	<u>1,422</u>

13. REFUNDABLE DEPOSITS and ADVANCED FEES SCHEME

Refundable Deposits

Deposits are placed when pupils join the school and credited against fees and disbursements for their last term and are analysed below.

Advanced Fees Scheme

Parents may enter into a contract to pay to the school up to the equivalent of seven years' fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, the contractual liability of the school is shown below.

	Refundable deposits	Advanced fees scheme
	2008	2008
	£'000	£'000
After 5 years	433	80
Between 2 to 5 years	458	410
Between 1 to 2 years	126	203
	<u>1,017</u>	<u>693</u>
After more than one year	71	221
Within 1 year	<u>1,088</u>	<u>914</u>

Advanced fees represents the accrued liability under the contracts; appropriate investments are held so that on maturity the proceeds will match these liabilities. The movements during the period were:

	£'000
Balance at 6 March 2007	-
Transferred from St Paul's Schools Foundation	824
New contracts	363
Amounts accrued to contracts	<u>2</u>
	1,189
Amounts utilised in payment of fees	<u>(275)</u>
As at 31 August 2008	<u>914</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

14. OPERATING LEASE COMMITMENTS

The school has the following annual commitments under operating leases:

	2008 £'000
Between one and two years	3
Between two to five years	2
	<hr/>
	5
	<hr/>

None of the above involve land and buildings nor do they extend beyond five years.

15. ANALYSIS OF NET ASSETS

The school's net assets are held for various funds and advance fees as follows:

Group	Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Long Term Liabilities & Pension Deficit £'000	Total £'000
Endowment Funds	-	970	-	-	970
Restricted Funds	-	18	327	-	345
Unrestricted Funds	10,707	861	3,330	(3,048)	11,850
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,707	1,849	3,657	(3,048)	13,165
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

16. FUNDS

	<i>Transferred From SPSF 1 Sep 2007 £'000</i>	<i>Incoming Resources £'000</i>	<i>Resources Expended £'000</i>	<i>Transfers & Investment Losses £'000</i>	<i>31 Aug 2008 £'000</i>
Endowed funds					
Bursary Funds	1,010	-	-	(92)	918
Prize Funds	59	-	-	(7)	52
	1,069	-	-	(99)	970
Restricted funds					
Bursary Funds	62	66	(80)	1	49
Foundation Bursary Funds	-	234	-	-	234
Bursaries – Third Parties	-	533	(533)	-	-
Prize Funds	20	4	(1)	5	28
Centenary Buildings	4,311	1,497	-	(5,808)	-
Foundation Buildings	-	6	-	(6)	-
Sundry Restricted Funds	62	36	(20)	(44)	34
	4,455	2,376	(634)	(5,852)	345
Unrestricted funds					
General Reserves	5,271	10,569	(9,620)	5,413	11,633
Property Fund	121	-	-	-	121
Bursaries Fund	-	-	-	48	48
Buildings Fund	-	-	-	48	48
	5,392	10,569	(9,620)	5,509	11,850

Endowed Funds

Endowed funds are for bursary and prize funds. For these funds the capital is endowed and the arising income is restricted for the expenditure as shown by the type of endowment fund. All endowed funds are expendable endowments.

Restricted Funds

The bursary funds represent accumulated income on various restricted and endowed gifts intended to fund bursaries for pupils. Prize funds are for the costs associated with awarding the various prizes. The Centenary buildings and Foundation buildings funds were created for buildings programmes.

Designated Funds

The property fund represents amounts designated for the future maintenance of the buildings. The bursaries and buildings funds were set up by the Trustees during the period to set aside amounts for the provision of bursaries and towards the school's building programme. An amount equivalent to 1% of fees has been transferred equally into these funds. All of the designated funds are expected to be spent in the short to medium term.

17. CONTRACTS AND COMMITMENTS

At 31 August 2008, there were authorised capital commitments of £113,000.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

18. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2008.

19. PENSIONS

a) Non Teaching Staff Pension Fund

The school makes contributions to the St Paul's Schools Non Teaching Staff Pension Fund, a defined benefit scheme, in accordance with the Actuary's advice. A full actuarial valuation was carried out at 31 August 2005. The actuarial valuation due at 31 August 2008 is currently in progress. The 31 August 2005 valuation has been updated to 31 August 2008 for the purpose of compliance with Financial Reporting Standard 17. The principal assumptions used in that valuation are as follows:

	2008
Rate of increase in salaries	5.0%
Discount rate	6.4%
Inflation assumption	4.0%
5% LPI pension increase assumption	3.9%
2.5% LPI pension increase assumption	2.5%

Average future life expectancy for mortality tables used to determine actuarial value of liability

	Male	Female
Members attaining age 60 in 2008	25.5 years	28.3 years
Members attaining age 60 in 2028	26.5 years	29.4 years

The assets in the scheme and the expected rate of return as advised by the Actuary are:

	Long term rate of return expected at 31/08/2008	Value at 31/08/2008 £'000	Proportion of total assets at 31/08/2008
Equities	8.0%	1,391	55%
Bonds	6.0%	543	21%
Other	4.0%	3	0%
Secured pensions	N/A	593	23%
Total market value of assets		2,530	
Present value of scheme liabilities		(3,868)	
Deficit in scheme		(1,338)	

The actual return on the Scheme's assets net of expenses over the period to the Review Date was approximately -11.6%. The assets do not include any investment in shares of the company. The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes.

FRS 17 disclosures as at 31 August 2008

Amounts Recognised in the Balance Sheet at 31 August 2008

	Value at 31 August 2008 £'000s
Fair value of assets	2,530
Present value of funded obligations	(3,868)
Scheme deficit	(1,338)

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

19. PENSIONS (continued)

Amounts disclosed on the balance sheet are made up of:

	Value at 31 August 2008 £'000s
Liabilities:	
Present value of funded obligations	(3,868)
Assets:	
Fair value of assets	<u>2,530</u>
Net liability	<u>(1,338)</u>

Amounts Recognised in the Statement of Financial Activities

	31 August 2008 £'000s
Current service cost	155
Interest cost	169
Expected return on assets	(156)
Past service cost	<u>31</u>
Total	<u>199</u>

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the period was:

	31 August 2008 £'000s
Fair value of assets transferred from St Paul's Schools Foundation	2,611
Expected return on assets	156
Total contributions	180
Benefits paid	58
Actuarial loss	<u>(475)</u>
Fair value of assets at 31 August 2008	<u>2,530</u>

The change in defined benefit obligation over the period was:

	31 August 2008 £'000s
Defined benefit obligation transferred from St Paul's Schools Foundation	3,542
Current service cost	155
Contributions by scheme participants	180
Past service cost	31
Interest cost	169
Benefits paid	(58)
Actuarial loss	<u>(151)</u>
Defined benefit obligation at 31 August 2008	<u>3,868</u>

This is the first period in which separate disclosures have been prepared for the school and therefore prior year amounts have not been summarised.

The pension charge in the year payable by the school in respect of non teaching staff was £208,000. No further charge was incurred in respect of a shortfall in the pension contributions for part time employees. The pension cost charge in the year in respect of the Non-Teaching Staff defined contribution scheme was £35,000.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

19. PENSIONS (continued)

b) Teaching Staff Pension Scheme

The school participates in the Teachers' Pension Scheme (England and Wales) ("the scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the school.

The latest actuarial valuation of the scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the scheme's assets and liabilities within 15 years as required by the regulations), a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

The pension cost charge for the year payable by the school in respect of teaching staff was £504,000

20. RECONCILIATION OF NET INCOMING RESOURCES TO

NET CASH INFLOW FROM OPERATIONS	2008
	£'000
Net incoming resources	2,691
Depreciation charge	491
Loss on disposal of tangible fixed assets	9
Dividend income	(44)
Interest receivable	(362)
Increase in stock	(16)
Increase in debtors	(94)
Increase in creditors	528
Pension costs arising from FRS17	83
Increase in refundable deposits	188
	<u>3,474</u>

21. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	2008
	£'000
Transferred from St Paul's Schools Foundation	2,486
Change in period	<u>2,508</u>
Closing cash at bank	<u>4,994</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2008

NOTES TO THE ACCOUNTS (continued)

22. RELATED PARTY TRANSACTIONS

The following transactions occurred during the period with related parties:

The Mercers' Educational Trust Fund made bursary grants of £20,000 to the school.

The school is connected to St Paul's Girls' School Development Trust (charity registration number 312719), by way of a common Trustee, The Hon H W Palmer. During the year the Development Trust made grants of £1.5 million to St Paul's Girls' School (£1.2 million of this was received from the St Paul's Schools Foundation) towards building projects being undertaken, in particular the extension and refurbishment of the Celia Johnson building and £5,000 towards rowing activities.

The school pays rent of £1,000 per annum to St Paul's Schools Foundation. This balance was owed to the Foundation at the period end.

23. POST BALANCE SHEET EVENT

On 1 September 2008 a transfer deed was signed in which the assets and liabilities of the St Paul's Girls' School Development Trust (registered charity number 312719) were transferred to St Paul's Girls' School. The funds will now be managed by the School's Board of Governors and any restrictions on the funds transferred will still apply. The work of the Development Office will continue but all funds will now be paid directly to the School.