

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS
YEAR ENDED 31 AUGUST 2011

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COMPANIES HOUSE

Company Registration No. 6142007
Charity Registration No. 1119613

ST PAUL'S GIRLS' SCHOOL ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT

The Trustees present their report and the audited financial statements for the year ended 31 August 2011

REFERENCE AND ADMINISTRATIVE INFORMATION

Governors

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

Dame Helen Alexander + #
Mr Mark Aspinall *
Ms Kate Bingham * §
Mr Nicolas Chisholm (appointed 23 March 2011) +
Mr Richard Cunis +
Mrs Pauline Davies +
Mr Michael de Giorgio +
Mr Daniel Hodson * §
Ms Alice Hohler * #
The Hon Timothy Palmer (Chairman) + * # §
Miss Judith Portrait *
Prof Dame Jessica Rawson +
Dr Julia Riley (appointed 2 December 2011)
Prof Charlotte Roueche +

+ Members of the Education 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 Menna McGregor
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High Mistress	Ms Clarissa Farr
Deputy Head – Director of Studies	Mrs Kate Clanchy
Deputy Head – Director of School	Mr Paul Vanni
Business Director	Mr Arnold Flanagan

Registered Office and Advisers

Registered Office	St Paul's Girls' School Brook Green London W6 7BS
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ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)

Registered Office and Advisers (continued)

Bankers	Allied Irish Bank 9/10 Angel Court London EC2R 7AB
	Barclays Corporate Acorn House 36-38 Park Royal Road London NW10 7JA
	Barclays Wealth 1 Churchill Place London E14 5HP
Solicitors	Foot Anstey LLP Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
Auditor	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Investment Managers	Rothschild Private Management Ltd 1 King William Street London EC4N 7AR
	Barclays Wealth 1 Churchill Place London E14 5HP
Actuary	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW
Insurance Brokers	Marsh Ltd Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The school is a charitable company limited by guarantee (company number 6142007, registered charity 1119613) and 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 year, except where otherwise stated on page 1, were Dame Helen Alexander, Mr Mark Aspinall, Ms Kate Bingham, Mr Nicolas Chisholm, Mr Christopher Clayton, Mr Richard Cunis, Mrs Pauline Davies, Mr Michael de Giorgio, Mr Daniel Hodson, Ms Alice Hohler, The Hon Timothy Palmer, Miss Judith Portrait, Prof Dame Jessica Rawson and Prof Charlotte Roueche.

Ms Sarah Hamilton-Fairley retired on 15 June 2011. Mr Christopher Clayton retired on 31 August 2011.

Dr Julia Riley was appointed on 2 December 2011.

The Governors meet at least once in each school term.

Recruitment, Induction and Training of Governors

Governors are selected by reference to their eligibility, personal competence and specialist skills. The Mercers' Company can appoint up to 19 Governors and the Board of Governors may appoint two. 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.

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 Committee

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

Finance & Estates Committee

- monitors and reviews all aspects of financial performance and management
- advises on the development, use and maintenance of the whole school estate
- assesses the scope and effectiveness of the systems established to identify, manage and monitor financial and non-financial risks

Nominations Committee

- reviews the structure, size and composition of the Board
- identifies and nominates candidates for appointment to the Board. Two Governors are typically appointed directly by the Board with the remainder being appointed by the Mercers' Company
- undertakes an annual performance evaluation of the members of the Board
- initiates the process of searching for suitable persons to hold the office of High Mistress and Business Director

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Investment Committee

- advises and makes 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 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 by the Board and the school's risk register is reviewed each term by the Finance and Estates Committee. The principal risks identified by the Governors are

- the possibility of a lack of a fully appraised estates strategy resulting in the potential for poorly planned capital projects
- a potential failure to adequately respond to legislation such as the Equality Act, the Bribery Act, employment legislation and other regulatory requirements
- a failure to attract sufficient bursary candidates to achieve the school's objective of further developing its bursary programme

These risks are subject to regular review by the school's Senior Management Team and are mitigated by enlisting the services of professional consultants to support the management of a workable long term estates strategy. The school's regulatory policies are reviewed by Governors and school staff liaise with legal advisers and professional bodies to ensure compliance in all practice. An ongoing and expanding outreach programme seeks to attract potential bursary applicants. The Governors are satisfied that there are systems in place to manage the risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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, the school provides a stimulating, challenging and ambitious programme of study with a rich and diverse extra-curricular programme, leading to GCSE and A Level. Students are prepared for entry to the leading universities in the UK with a small but increasing proportion aiming for the Ivy League universities in the US. Expectations are high and the pace brisk, suiting those girls who enjoy learning and who have a lively intellect and enquiring mind. The school also has a strong commitment to the personal development of each student and pastoral care was rated excellent in the ISI inspection report of 2011. Secular by foundation, the school welcomes students of all faiths and none. St Paul's is proud of its liberal intellectual tradition which emphasises independent learning and a serious commitment to scholarship for its own sake.

In the furtherance of these aims the Governors, as the Charity trustees, confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general guidance on public benefit and the relevant sub-sector guidance on fee-charging charities.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Objectives for the Year

The school has reaffirmed its commitment to seven strategic aims covering all areas of its activity which are as follows

- 1 To offer an exceptional academic and cultural education for girls, which is both innovative and challenging, and which incorporates, but goes well beyond, achieving 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 potential and to build the requisite resources to achieve an intake which reflects the social, cultural and economic diversity of London, widening the access for means-tested bursaries and offering awards of up to 100% of the tuition fees
- 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 in the UK, taking a lead in educational debate and policy development, nationally and internationally

Strategies to Achieve the Year's Objectives

Activities relating to the strategies above are carried forward by the school's extended Senior Management Team and are set out in the iterative action plan document for the year. These have included

- Further refining the admissions policy for 11+ students by creating a three stage system
- Clarifying expectations about standards of behaviour
- Improving the accuracy and quality of pupils' reports to parents
- Launching A2 Politics and Theatre Studies
- Continuing structural IT development with the recruitment of a new IT director
- Extending further the school's relationships with feeder schools in the maintained sector
- Improving and increasing HR provision
- Building a more significant fund for the financing of bursaries and in particular developing the leavers' bursary initiative
- Improving communications at all levels both within the community and beyond, in particular developing closer links with the school's alumnae
- Opening the newly refurbished Singing Hall and music recording studio
- Initiating a full review of the school's premises with a view to creating a long term site development plan in response to student growth
- Delegating responsibility to heads of year for pastoral leadership
- Planning for the introduction of smaller tutor groups throughout years 7-11 from September 2011

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Principal Activities of the Year (including Public Benefit)

The school is academically selective and educates girls from age 11 to 18. In September 2010 there were 732 students on roll with 216 of these in the senior school. The school has an excellent rate of retention at 16+ with very few students leaving to go to other schools. Approximately 60 will apply to join the senior school each year and up to 20 places are offered.

A broad curriculum includes classical languages and Mandarin Chinese with significant strength in all academic areas across the arts and sciences. The school offers GCSE and iGCSE at age 16 with its own school-directed courses in Art and Music. A level is the post-16 qualification pursued by all students and is offered in 22 subjects.

The school has for many years shared its facilities with local groups and charities, including the Greenhouse Schools Project for children from disadvantaged backgrounds, and several local primary schools. The senior staff team from Hammersmith Academy has recently moved into their own premises, having occupied offices and hosted open events at the St Paul's campus for 18 months. A strong working partnership has evolved and will be further developed.

During the year ended 31 August 2011, 63 (2010: 58) girls received means-tested awards and bursaries, 24 (2010: 22) girls received music scholarships and 33 (2010: 30) girls received academic and art scholarships. Developing closer links with maintained primary schools and building a more significant fund enabling the school to offer more bursaries remains a major priority.

All girls pursue an extensive co-curricular programme and further details are given below. Well-established exchange programmes with schools in the US, China, Germany, France, Spain and Australia provide extended opportunities to experience education in another country.

A relationship with Wembley High School provides 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. Links are also in place with the gifted and talented programme run by Wandsworth Borough Council and the school is building similar connections within its own borough.

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. The percentage reduction offered is up to 100% of the tuition fee. Assessment is repeated annually.

Fundraising

During the year St Paul's Girls' School continued its campaign to raise funds for bursaries in order to widen access to the school. A total of £1.75 million was secured in new donations and pledges for future Paulinas thanks to some very generous support.

The school secured new donations and pledges going forward totalling £430,000 for the bursary endowment which was valued at £5.4 million at 31 August 2011. An extremely generous donation of £400,000 to endow a full bursary in perpetuity was particularly welcomed. All donations made to name a seat in the recently refurbished Singing Hall were allocated to the bursary endowment, adding an additional £79,000 to the endowment fund last year.

A bursary fund report was sent out by the Development Office during the Autumn term to thank donors and update the whole school community on progress during the previous year. £111,000 was pledged in response to that report.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

To mark the school's particular appreciation for the generous support received from some significant donors a formal dinner was organised at Mercers' Hall at which Old Paulina and BBC journalist Sophie Raworth was the guest speaker

During the Spring and Summer terms the school continued to seek funds for bursaries. The Governors' target is to eventually offer financial assistance, in the form of bursaries, to 20% of girls in the school. During the financial year 2010/11 8% of the school's pupils, which equates to 63 girls (the equivalent of 55 full places), received means-tested bursaries. The endowment funded the equivalent of 9 full places and the school funded the equivalent of 15 full places from its operating income. The combined donations from generous supporters participating in the syndicates and revenue-based bursary programme funded the equivalent of the remaining 31 full places.

In Spring 2011 the parents of the 2011 leavers were successful in organising a bursary syndicate of 51 participants plus the VIII leavers to secure donations and pledges of £186,000 to fund two bursaries to enable pupils to join the school in September 2011. Thanks to this initiative one girl joined the school on a full means-tested bursary at 11+ and the other joined up on a half-bursary at 16+. This bursary has match-funding from The Ogden Education Trust.

Members of the Foundation Council and others kindly hosted three dinners to inform guests of the school's ambitions to widen access and expand the school's bursary programme. These resulted in several major donations to both the revenue fund and the bursary endowment. Discussions are continuing with a number of potential donors who have expressed an interest in the bursary programme.

For the first time a dinner was organised to inform those able to contribute more modest sums to the bursary fund. The pilot proved successful, with the evening resulting in donations and pledges of £68,000 and a further dinner is planned for this coming year.

Of note this year was a legacy of £119,000 received from an Old Paulina for a capital project and a legacy of £12,500 towards the bursary endowment from Harry Palmer, the school's former Chairman of Governors.

The school especially welcomed continuing support from a number of trusts including The Staples Trust, The Ogden Education Trust, HSBC Education Trust, John Lyon's Charity and The Mercers' Company.

As a result of donations received during the year the school is able to offer bursaries to 13 of the new MIV girls who joined in September 2011 and 5 girls in VII who have just started their A Level courses, all of whom are fully funded bursary recipients.

Over the Summer of 2011 annual progress reports and renewed thanks were sent to donors to the bursary fund, endowment and bursary syndicate members who funded pupils during the year.

In school, several fundraising events were organised, including a sponsored swim and a MIVth fair in which the girls participated to raise funds for the bursary programme.

Alumnae Activities

Over the 2010/11 academic year alumnae events and communications have been tailored to engage the school's community of former pupils which is far-reaching and spans many generations as well as many different fields of interest.

International and regional groups have been particularly active and several reunions took place in October in Boston and New York and were attended by the High Mistress and deputy head of St Paul's. In December the first joint reunion of Old Paulines and Paulinas based in Israel took place in Tel Aviv to great success. In March another joint social event followed in New York as well as the second biannual reunion of OP alumnae based in the West Country.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

In London a number of school events followed the first alumnae day in September when 250 Old Paulinas and staff from across the ages took the opportunity to return to the school with their families. Alumnae joined the school for the Christmas concert as well as various plays, orchestral concerts and musical performances throughout the year including the Gustav Holst birthday concert. Old Paulinas also took the opportunity to attend the popular annual Old Pauline comedy night in Chiswick in September.

A series of university open days in March and April proved popular with more recent alumnae. Senior school pupils had the opportunity to meet with Old Paulinas at events in Oxford, Cambridge and at St Paul's to talk first hand about their university experiences and exchange advice about courses and applications. In May Old Pauline Stan Westlake of NESTA was the guest speaker at a business breakfast hosted by Holman Fenwick Willan LLP and gave a talk to alumnae about the link between innovation and growth in UK business. Also in the Spring St Paul's hosted ten year and five year reunions each attended by over 50 alumnae and staff.

The development office has continued to publish the termly *Review* magazine for alumnae and friends and plans are underway for a redesign of the magazine in Spring 2012. The latest edition of the e-bulletin managed to garner an impressive 50% open rate with almost 1200 Old Paulinas clicking through. There has also been increased interest in publishing space from alumnae and others. The Old Paulinas' *LinkedIn* group has started well with over 200 members connecting professionally with other alumnae. As the strategy for improved alumnae online communications develops, an outreach is planned to collect incorrect or missing email contact details with a view to expanding and refining the school's online reach.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic achievement was once again reflected in outstanding public examination results at GCSE and A levels. At A level 92% of results were at grade A/A* and at GCSE A*/A accounted for 99.1% of results. This near perfect outcome at GCSE made these results the best the school has ever achieved. The percentage of 49% at the new A* grade at A level was very pleasing and significantly above national expectations. The school was given a Good Schools' Guide award for the best GCSE results in Additional Science, the best AS results in Latin and the best A2 results in Classical Greek over the three year period 2008-10.

The Music department ran a successful tour to New York and Boston in October, with the Boston Children's Chorus making a return visit in the Summer term and singing to rapturous acclaim at the school's end of year concert. Individual and ensemble work continues to reach a high level and pleasing results were also achieved in the school-directed course.

In Art, students maintained their customary high standards achieving similarly excellent results both in the school-directed course and at A level. There were two major exhibitions showcasing these courses during the year, which drew large numbers of visitors. Final year students demonstrated particular flair and originality especially in the difficult subject of portraiture. Two students were amongst 20 shortlisted for the prestigious Saatchi awards which attracted over 18,000 entrants nationally.

The Drama department had a successful year which included 14 productions. Of particular note was 'The Tempest' directed by Victoria Watkins and 'The Love of the Nightingale' directed by Mekhla Barua. The staff also joined the students on stage in a student-directed production of 'Daisy Pulls it Off' which was received to great acclaim. Our first cohort of AS Drama and Theatre Studies students produced some exquisite work and received outstanding results. The GCSE Drama students were equally successful.

Sport continues to be an important part of school life. The curriculum remains diverse and the opportunities to participate in activities beyond the classroom are ever increasing. A large proportion of students enjoy a wide range of competitive team and individual sports, partaking in high quality training sessions and representing the school on a weekly basis. The J18 rowers participated in a historic race at the National Schools Competition in May, winning silver medals in the coxed four, the best performance by any Paulinas to date. Many girls have also reached an outstanding level in their chosen sports pursued outside school including chess, fencing, rowing, swimming and tennis.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Other clubs and societies flourish covering most subject areas including Classics, Geography, 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 over the year included Sebastian Faulks, Baroness Cox, Lord Darzi of Denham, Professor Robert Winston, Dame Jessica Rawson, Professor Charlotte Roueche and the poet laureate, Carol Ann Duffy.

There were many successes in national competitions including the Shine journalism awards, Mandarin speaking and Russian writing competitions, the maths and biology Olympiads and in creative writing.

The school was inspected by ISI in February 2011 and received an extremely positive report. The opening sentence reads as follows:

"St Paul's Girls' School is highly and conspicuously successful in meeting its aims to produce girls who can think for themselves, make the most of their talents, lead productive and fulfilling lives and achieve exceptional public examination results."

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial results of the company are presented on page 14 of this report. The school generated total net incoming resources of £2,200,000 of which £1,064,000 is unrestricted (before transfers between funds). The unrestricted surplus before transfers represents 8.0% of total unrestricted incoming resources compared with 7.0% in the previous year.

The total income for the year ended 31 August 2011 was £15,254,000 (2010: £13,339,000) of which £11,836,000 (2010: £10,744,000) was fee income. The total resources expended were £13,054,000 (2010: £11,722,000), the most significant expense being staff costs which represent 60% of outgoing resources. Capital expenditure in the year was £1,367,000 (2010: £1,104,000). The major investment in this financial year has been in the refurbishment of the Singing Hall and further development of the IT infrastructure and equipment. A grant of £420,000 was received from The Mercers' Charitable Foundation towards the IT development work.

Having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections the trustees are satisfied that it remains appropriate to prepare the statements on a going concern basis.

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 2011, before taking the pension deficit into account, totalled £5,127,000 (2010: £4,627,000) which represents approximately 5 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 per annum has been established for bursaries and major capital repairs over the next ten years. £170,000 of the designated fund was utilised in the year for flood protection works.

The defined benefit pension scheme for the non-teaching staff is in deficit amounting to £1,958,000 (2010: £2,229,000) which impacts on the free reserves of the school disclosed above. The school has made additional contributions totalling £211,000 (2010: £210,000) in the year.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Investments

Investment Policy

Rothschild have been given discretionary power to manage the portfolio on a day to day basis and report to the Investment Committee at least once a year. They have been instructed to adopt a medium risk/moderate investment strategy, that the timescale for performance of the portfolio is long term (over 10 years), and that they should aim for a balance of capital growth and income. There are no restrictions on the asset classes that they can invest in other than that they must be Qualifying Investments.

The target set by the Investment Committee was that Rothschild should generate a total return of 5% per annum on the investment portfolio with capital appreciation.

The fee composition scheme's assets are invested in fixed interest treasury stocks which are a low risk fixed rate of return investment. The fee composition scheme continues to be managed by Barclays Wealth.

Investment Performance against Objectives

The investment fund has performed pleasingly well over the year to 31 August 2011 in the turbulent markets, generating a total return of 7.6%, ending at £6.2 million.

FUTURE PLANS

The strategic aims outlined above remain in place for the next two years and will determine future plans. A review of these will take place in the Spring of 2012. 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 the school hopes to begin work on a number of initiatives including the following:

- The further development of the school's bursary programme
- The launch of new smaller tutor groups
- A campaign to further improve the quality of teaching
- The further development and marketing of the school's senior school offer
- The launch of an online newsletter to parents
- A programme of parent education in the evenings on topics of general interest eg managing the exam period
- The introduction of a new management information system
- A review of the school's rewards and sanctions systems
- Ensuring that co-curricular education is of high quality and meaningful for the students
- Launching an adventure society with certificated achievement
- Ensuring that students evaluate their co-curricular activities
- Holding an Olympic festival
- The introduction of a scholarship essay in the middle school
- A review of end of year prizes

**ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011**

TRUSTEES' REPORT (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' 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

Under company law the Trustees 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 the surplus or deficit of the charitable 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 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 Trustees are responsible for ensuring that adequate accounting records are maintained 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 ensuring their proper application in accordance with charity law, 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 charitable 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 Trustees 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

AUDITOR

Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor

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


The Hon Timothy Palmer
Chairman of Governors

8 December 2011

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

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

We have audited the financial statements of St Paul's Girls' School for the year ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 21

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of affairs of the charitable company as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the Companies Act 2006

**ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S GIRLS' SCHOOL (CONT'D)

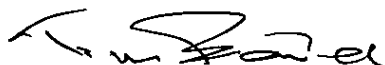
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records, or
- certain disclosures of trustees remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Tim Baines
Senior Statutory Auditor
for and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor
Date 8 December 2011

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

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)
For the year ended 31 August 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources						
Incoming Resources from Chantable Activities						
Fees	2	11,836	-	-	11,836	10,744
Other educational income		497	-	-	497	314
Grants		420	166	-	586	464
Incoming Resources from Generated Funds						
Trading income		360	-	-	360	351
Rents		78	-	-	78	73
Investment income	3	112	99	-	211	185
Donations, gifts and legacies		16	1,093	561	1,670	1,188
Other incoming resources		16	-	-	16	20
Total incoming resources		13,335	1,358	561	15,254	13,339
Resources expended						
Costs of Generating Funds	5	599	40	-	639	591
Chantable Activities						
Provision of education	5	11,544	743	-	12,287	11,072
Governance Costs		128	-	-	128	59
Total resources expended	4&5	12,271	783	-	13,054	11,722
Net incoming resources before transfers		1,064	575	561	2,200	1,617
Transfers between funds	7	20	(20)	-	-	-
Net incoming resources before other recognised gains and losses		1,084	555	561	2,200	1,617
Realised gains / (losses) on investments	8	(19)	-	73	54	77
Net income for the year		1,065	555	634	2,254	1,694
Unrealised gains / (losses) on investments	8	(19)	(25)	254	210	239
Pension scheme actuarial gain/(loss)	18	188	-	-	188	(318)
Net movement in funds		1,234	530	888	2,652	1,615
Fund balances at 1 September 2010		12,453	835	4,912	18,200	16,585
Fund balances at 31 August 2011		13,687	1,365	5,800	20,852	18,200

The attached notes on pages 17 to 29 form an integral part of these accounts

All of the school's activities represent continuing operations

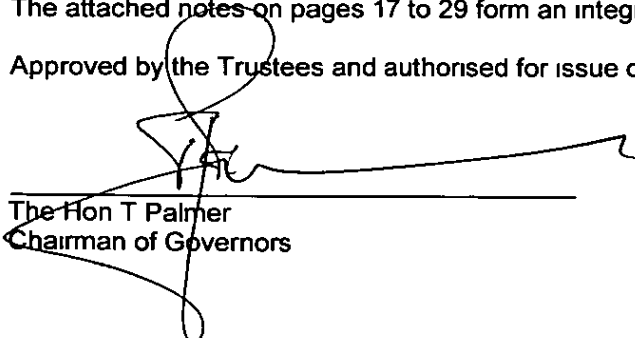
ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

BALANCE SHEET
As at 31 August 2011

		2011		2010	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		11,481		10,961
Investments	8		6,812		5,769
			<u>18,293</u>		<u>16,730</u>
Current assets					
Stock		167		121	
Debtors	9	506		489	
Cash		<u>7,509</u>		<u>6,955</u>	
		8,182		7,565	
Current liabilities					
Creditors amounts falling due within one year	10	<u>(1,732)</u>		<u>(1,779)</u>	
Net current assets			<u>6,450</u>		<u>5,786</u>
Total assets less current liabilities			24,743		22,516
Creditors amounts falling due after more than one year	11		<u>(1,933)</u>		<u>(2,087)</u>
Net assets excluding pension liability			22,810		20,429
Pension scheme liability	18		<u>(1,958)</u>		<u>(2,229)</u>
Net assets including pension liability			<u>20,852</u>		<u>18,200</u>
Funds					
Endowment	14,15		5,800		4,912
Restricted	14,15		1,365		835
Unrestricted	14,15		<u>15,645</u>		<u>14,682</u>
			22,810		20,429
Total Funds before pension liability					
Pension Scheme funding reserve	18		<u>(1,958)</u>		<u>(2,229)</u>
Total Funds including deficit on pension scheme reserve			<u>20,852</u>		<u>18,200</u>

The attached notes on pages 17 to 29 form an integral part of these accounts

Approved by the Trustees and authorised for issue on 8 December 2011 and signed on their behalf by


The Hon T Palmer
Chairman of Governors


Ms A Hohler

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

CASH FLOW STATEMENT

For the year ended 31 August 2011

	Notes	2011		2010	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	19		2,751		2,510
Returns on investment and servicing of finance					
Dividends		106		81	
Interest received		118		91	
			224		172
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(1,367)		(1,104)	
Purchase of investments		(2,496)		(1,605)	
Proceeds from sale of investments		1,717		1,050	
			(2,146)		(1,659)
Movement in cash before advance fees			829		1,023
New advance fees		41		257	
Amounts accrued to advance fee contracts		11		15	
Amounts utilised and repaid		(327)		(343)	
			(275)		(71)
Increase in cash			554		952
Cash at 1 September 2010			6,955		6,003
Cash at 31 August 2011			7,509		6,955

The attached notes on pages 17 to 29 form an integral part of these accounts

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS - 31 AUGUST 2011

1. STATEMENT OF ACCOUNTING POLICIES

Accounting basis

The accounts are prepared in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2005, the Charities Acts 1993 and 2006 and the Companies Act 2006. They are drawn up under the historical cost convention as modified by the revaluation, at market value, of investments.

As highlighted in the Trustees report, having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the year in which the services are provided.

Fees receivable are stated after deducting bursaries, scholarships and other remissions allowed by the school, but include contributions received from restricted bursary funds and third parties.

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 are accounted for in the financial year in which they are received. 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 expendable capital.

Investment gains and losses

Unrealised gains and losses for the year 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 YEAR ENDED 31 AUGUST 2011

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	3-4 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.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

2. FEES	2011	2010
Fees consist of	£'000	£'000
Gross fees	12,235	11,170
Less bursaries, grants and allowances	(1,132)	(996)
	11,103	10,174
Add bursaries and grants received from restricted funds	733	570
	11,836	10,744
 3. INVESTMENT INCOME	 2011	 2010
	£'000	£'000
Dividends	93	94
Bank and building society interest	118	91
	211	185
 4. TOTAL RESOURCES EXPENDED	 2011	 2010
	£'000	£'000
Includes		
Wages and salaries	6,317	6,008
Social security costs	592	541
Pension costs	817	764
Peripatetic costs	91	88
	7,817	7,401
Staff benefits		
Medical insurance	38	33
	7,855	7,434
Auditor's remuneration		
For audit	26	24
Other	6	6
The average number of persons employed on a full-time equivalent basis by the charity during the year was		
Educational	101	98
Other	59	55
	160	153

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 YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

4. TOTAL RESOURCES EXPENDED (continued)

The Trustees have not received any emoluments during the year (2010 £Nil) Three Trustees (2010 one) received reimbursement of travel expenses amounting to £806 (2010 £136)

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

	2011	2010
£60,000 - £69,999	12	9
£70,000 - £79,999	1	2
£80,000 - £89,999	1	1
£90,000 - £99,999	1	-
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-

For 15 (2010 12) of the above staff, pension contributions amounting to £153,000 (2010 £124,000) were paid for the provision of defined benefits pension schemes One staff member (2010 one) had benefits of £14,000 (2010 £13,000) accruing under defined contribution pension schemes

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Deprec- lation £'000	2011 Total £'000	2010 Total £'000
Costs of generating funds					
Trading costs	36	295	-	331	315
Financing costs	-	107	-	107	115
Fundraising	130	28	-	158	127
Investment management	-	43	-	43	34
	166	473	-	639	591
Charitable activities					
Education	6,057	1,392	81	7,530	6,924
Welfare	435	294	-	729	685
Premises	507	1,039	766	2,312	2,036
Support costs	690	287	-	977	851
Grants, awards and prizes	-	739	-	739	576
	7,689	3,751	847	12,287	11,072
Governance costs	-	128	-	128	59
	7,855	4,352	847	13,054	11,722

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

6. TANGIBLE ASSETS

	Chantable Properties £'000	Furniture Fittings & Equipment £'000	Computers £'000	Total £'000
Cost				
At 1 September 2010	11,043	1,816	595	13,454
Additions	854	334	179	1,367
Disposals	-	-	(74)	(74)
At 31 August 2011	11,897	2,150	700	14,747
Depreciation				
At 1 September 2010	1,423	809	261	2,493
Charge for the year	350	297	200	847
Disposals	-	-	(74)	(74)
At 31 August 2011	1,773	1,106	387	3,266
Net book value				
At 31 August 2011	10,124	1,044	313	11,481
At 31 August 2010	9,620	1,007	334	10,961

7. TRANSFERS BETWEEN FUNDS

A total of £20,000 of donations towards the Singing Hall building project have been transferred from restricted to unrestricted funds as the funds have been expended and therefore the restriction on these funds has been met

8. INVESTMENTS

	Listed Investments	
	2011 £'000	2010 £'000
Valuations at 1 September 2010	5,769	4,898
Additions	2,496	1,605
Disposal proceeds	(1,717)	(1,050)
Gains on investments	264	316
As at 31 August 2011	6,812	5,769
Historical cost of Investments	6,013	5,002

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

8 INVESTMENTS (continued)

The breakdown of listed investments as at 31 August 2011 and 2010 is as follows

	2011	2010
	£'000	£'000
UK equities	1,980	1,549
Overseas equities	2,332	1,252
Fixed interest - UK	1,533	2,045
Fixed interest - overseas	293	289
Alternative investments - UK	341	262
Alternative investments - overseas	333	372
	<u>6,812</u>	<u>5,769</u>

The total amount of UK investments is £3,854,000 (2010 £3,855,000) and the total amount of overseas investments is £2,958,000 (2010 £1,914,000)

There were no investments representing more than 5% of the total market value of the portfolio as at 31 August 2011 or 2010

9 DEBTORS

	2011	2010
	£'000	£'000
Fee debtors	48	44
Loans to staff	45	42
Sundry debtors	212	218
Prepayments	201	185
	<u>506</u>	<u>489</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.

10. CREDITORS: due within one year

	2011	2010
	£'000	£'000
Trade creditors	315	599
Fees received in advance	326	207
Refundable deposits (note 12)	201	151
Advanced fees scheme (note 12)	292	316
Taxation and social security	179	163
Other creditors and accruals	419	343
	<u>1,732</u>	<u>1,779</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

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

	2011	2010
	£'000	£'000
Fees received in advance	18	-
Refundable deposits (note 12)	1,369	1,290
Advanced fees scheme (note 12)	546	797
	<u>1,933</u>	<u>2,087</u>

Fees received in advance represent advanced payments on school fees for balances due within one to two years, which are not part of the advanced fees scheme

12. 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	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
After 5 years	516	505	18	84
Between 2 to 5 years	662	594	282	441
Between 1 to 2 years	191	191	246	272
After more than 1 year	1,369	1,290	546	797
Within 1 year	201	151	292	316
	<u>1,570</u>	<u>1,441</u>	<u>838</u>	<u>1,113</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 year were

	2011	2010
	£'000	£'000
As at 1 September 2010	1,113	1,184
New contracts	41	257
Amounts accrued to contracts	11	15
	<u>1,165</u>	<u>1,456</u>
Amounts utilised in payment of fees	(327)	(343)
	<u>838</u>	<u>1,113</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

13 OPERATING LEASE COMMITMENTS

The school has the following annual commitments under operating leases

	2011	2010
	£'000	£'000
Between one to two years	2	-
Between two to five years	-	2
	<u>2</u>	<u>2</u>

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

14. ANALYSIS OF NET ASSETS

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

Group	Tangible Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Long Term Liabilities & Pension Deficit £'000	Total £'000
Endowment Funds	-	5,391	409	-	5,800
Restricted Funds	-	623	742	-	1,365
Unrestricted Funds	11,481	798	5,299	(3,891)	13,687
	<u>11,481</u>	<u>6,812</u>	<u>6,450</u>	<u>(3,891)</u>	<u>20,852</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

15. FUNDS

	1 Sep 2010 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers & Other Gains / (Losses) £'000	31 Aug 2011 £'000
Endowed funds					
Bursary Funds	4,895	561	-	327	5,783
Prize Funds	17	-	-	-	17
	4,912	561	-	327	5,800
Restricted funds					
Foundation Bursary Funds	754	1,089	(640)	(38)	1,165
Bursaries – Third Parties	-	136	(136)	-	-
Prize Funds	54	1	(3)	3	55
Buildings	-	126	-	(7)	119
Sundry Restricted Funds	27	6	(4)	(3)	26
	835	1,358	(783)	(45)	1,365
Unrestricted funds					
General Reserves	12,018	13,330	(12,101)	46	13,293
Bursaries Fund	158	3	-	64	225
Buildings Fund	277	2	(170)	60	169
	12,453	13,335	(12,271)	170	13,687

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. The prize fund represents the accumulated income on various endowed and restricted gifts intended to fund the award of various annual prizes. The buildings fund was created for buildings programmes. The sundry restricted fund represents the accumulated income on a number of small donations received to fund specific projects.

Designated Funds

The bursaries and buildings funds were set up by the Trustees during the period to 31 August 2008 to set aside amounts for the provision of bursaries and towards the school's building programme. All of the designated funds are expected to be spent in the short to medium term.

16. CONTRACTS AND COMMITMENTS

At 31 August 2011, there were authorised capital commitments of £Nil (2010: £1,009,000).

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2011 (2010 none)

18. 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 2008. The 31 August 2008 valuation has been updated to 31 August 2011 for the purpose of compliance with Financial Reporting Standard 17. The principal assumptions used in that valuation are as follows

	2011	2010
Rate of increase in salaries	4.3%	4.0%
Discount rate	5.7%	5.1%
Inflation assumption	3.3%	3.0%
5% LPI pension increase assumption	3.3%	3.0%
2.5% LPI pension increase assumption	2.4%	2.3%

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

	Male		Female	
	2011	2010	2011	2010
Members attaining age 60 at year-end	28.5 years	28.4 years	31.0 years	30.9 years
Members attaining aged 60 20 years from year-end	29.9 years	29.9 years	32.2 years	32.2 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 31/08/2011	Value at 31/08/2011 £'000	Proportion of total assets at 31/08/2011	Long term rate of return expected at 31/08/2010	Value at 31/08/2010 £'000	Proportion of total assets at 31/08/2010
Equities	8.0%	1,363	46%	8.0%	1,185	44%
Bonds	6.0%	863	29%	6.0%	726	27%
Other	4.0%	235	8%	4.0%	267	10%
Secured pensions	5.7%	502	17%	5.1%	531	19%
Total market value of assets		2,963			2,709	
Present value of scheme liabilities		<u>(4,921)</u>			<u>(4,938)</u>	
Deficit in scheme		<u>(1,958)</u>			<u>(2,229)</u>	

The actual return on the Scheme's assets net of expenses over the year to the review date was approximately 5.4% (2010 7.1%). 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.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

18. PENSIONS (continued)

FRS 17 disclosures as at 31 August 2011

Amounts Recognised in the Balance Sheet at 31 August 2011

	Value at 31 August 2011 £'000	Value at 31 August 2010 £'000
Fair value of assets	2,963	2,709
Present value of funded obligations	(4,921)	(4,938)
 Scheme deficit	 (1,958)	 (2,229)

Amounts disclosed on the balance sheet are made up of:

	Value at 31 August 2011 £'000	Value at 31 August 2010 £'000
Liabilities:		
Present value of funded obligations	(4,921)	(4,938)
 Assets:		
Fair value of assets	2,963	2,709
 Net liability	 (1,958)	 (2,229)

Amounts Recognised in the Statement of Financial Activities

	31 August 2011 £'000	31 August 2010 £'000
Current service cost	132	110
Interest cost	240	240
Expected return on assets	(156)	(146)
Past service cost	-	5
 Total	 216	 209

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the year was

	31 August 2011 £'000	31 August 2010 £'000
Fair value of assets at 1 September 2010	2,709	2,366
Expected return on assets	156	146
Total contributions	341	355
Benefits and expenses paid	(234)	(180)
Actuarial (loss)/gain	(9)	22
 Fair value of assets at 31 August 2011	 2,963	 2,709

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

18. PENSIONS (continued)

The change in defined benefit obligation over the year was

	31 August 2011 £'000	31 August 2010 £'000
Defined benefit obligation at 1 September 2010	4,938	4,377
Current service cost	132	110
Contributions by scheme participants	42	46
Past service cost	-	5
Interest cost	240	240
Benefits paid	(234)	(180)
Actuarial (gain)/loss	(197)	340
Defined benefit obligation at 31 August 2011	<u>4,921</u>	<u>4,938</u>

The pension charge in the year payable by the school in respect of non teaching staff was £298,000 (2010 £303,000). 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 £95,000 (2010 £84,000).

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 published in November 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 as a part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%. 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% 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 next valuation of the scheme by the Government Actuary due to be prepared as at 31 March 2008 has not yet been published.

Following the publication of the Lord Hutton report on public sector pensions and the consultation by HM Treasury on the discount rate used to set unfunded public service pension contributions, the next valuation of the Scheme by the Government Actuary due to be prepared as at 31 March 2008 continues to be on hold until the impact of the revised discount rate on the valuation is considered. No decisions have been made yet on any changes to the TPS but it is expected that the Government will set out their proposals towards the end of 2011.

The pension cost charge for the year payable by the school in respect of teaching staff was £591,000 (2010 £571,000).

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2011

NOTES TO THE ACCOUNTS (continued)

**19. RECONCILIATION OF NET INCOMING RESOURCES TO
NET CASH INFLOW FROM OPERATIONS**

	2011	2010
	£'000	£'000
Net incoming resources	2,200	1,617
Depreciation charge	847	721
Loss on disposal of tangible fixed assets	-	4
Dividend income	(93)	(94)
Interest receivable	(118)	(91)
Decrease in stock	(46)	13
Increase in debtors	(30)	(88)
Increase / (decrease) in creditors	(55)	369
Pension costs arising from FRS17	(83)	(100)
Increase in refundable deposits	129	159
	<u>2,751</u>	<u>2,510</u>

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

	2011	2010
	£'000	£'000
Opening cash at bank	6,955	6,003
Change in year	<u>554</u>	<u>952</u>
Closing cash at bank	<u>7,509</u>	<u>6,955</u>

21. RELATED PARTY TRANSACTIONS

The following transactions occurred during the year with related parties

The Mercers' Educational Trust Fund made bursary grants of £30,000 (2010 £30,000) to the school

The school paid rent of £1,000 (2010 £1,000) to St Paul's Schools Foundation during the year

The Mercers' Charitable Foundation made a grant of £420,000 (2010 £300,000) during the year towards the development of the school's IT infrastructure and equipment