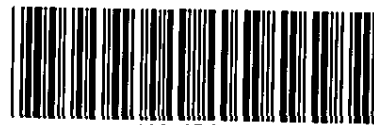


ST PAUL'S GIRLS' SCHOOL
ACCOUNTS
YEAR ENDED 31 AUGUST 2012

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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 2012

TRUSTEES' REPORT

The Trustees present their report and the audited financial statements for the year ended 31 August 2012

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 +
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 & Estates Committee
Members of the Nominations Committee
§ Members of the Investment Sub-Committee

The Clerk to the Governors	Mrs Nicki Goodfellow
Company Secretary	Mrs Nicki Goodfellow (appointed 6 December 2012) Mrs Menna McGregor (resigned 25 October 2012)
High Mistress	Ms Clarissa Farr
Deputy Head – Director of Studies	Mr Michael Marchant
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 2012

TRUSTEES' REPORT (continued)

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)
Registered Office and Advisers (continued)

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
Bankers	Barclays Corporate Acorn House 36-38 Park Royal Road London NW10 7JA Barclays Wealth 1 Churchill Place London E14 5HP
Auditor	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Investment Managers	Rothschild Wealth Management (UK) Ltd New Court St Swithin's Lane London EC4N 8AL 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 2012

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 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.

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 2012

TRUSTEES' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Investment Sub-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 & Estates Committee. The principal risks identified by the Governors are

- a lack of a fully appraised estates strategy resulting in the potential for embarking on capital projects which do not address the evolving needs of the school
- insufficient crisis and business continuity planning
- 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 the following measures

- The school has enlisted the services of professional consultants to support the management of a practical long term estates strategy
- The school has recently re-drafted its crisis management plan and will undertake review exercises to ensure that procedures are in place to address potential crisis situations
- 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 Girls' School is proud of its liberal

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

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 2011 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

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 St Paul's Girls' School community locally, nationally and internationally, to include parents, past parents and alumnae
- 7 To establish further and enhance the reputation of St Paul's Girls' School 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

- Building a more significant fund for the financing of bursaries and in particular developing the leavers' bursary initiative
- Further clarifying the admissions policy for 11+ students
- The further development and marketing of the school's senior school offer
- Ensuring that co-curricular education is of high quality and meaningful for the students
- Improving the tracking of student progress to ensure maximum achievement in public exams
- Promoting effective models of assessment to promote learning
- Introducing smaller more personalised tutor groups throughout years 7-11
- Holding an Olympic festival throughout the year with cross curricular participation, culminating a sporting finale
- Launching an adventure society with certificated achievement
- Taking forward plans for the long term development of the school's site to provide better teaching accommodation and social spaces
- Extending further the school's relationships with feeder schools in the maintained sector

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

- The launch of an online newsletter to parents
- A programme of parent education in the evenings on topics of general interest e.g. managing the exam period
- Introducing a new management information system to improve information capture within the school
- Introducing new criteria for assessing excellent teaching
- Holding an event for senior leaders in independent schools in the London area
- Improving communications at all levels both within the community and beyond
- Influencing the public debate on education through placing articles in journals and newspapers

Principal Activities of the Year (including Public Benefit)

The school is academically selective and educates girls from age 11 to 18. In September 2011 there were 729 students on roll with 206 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.

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, Japan, Spain and Australia provide extended opportunities for girls to experience education in another country.

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. A working partnership is evolving with Hammersmith Academy which started life in portacabins on the St Paul's Girls' School site. In the past year there has been reciprocal sharing of practice between the leadership teams and of some Science teaching. Further ideas of mutual benefit are being considered.

During the year ended 31 August 2012, 67 (2011: 63) girls received means-tested awards and bursaries, 25 (2011: 24) girls received music scholarships and 30 (2011: 33) 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.

A relationship with Wembley High School provides opportunities for students approaching GCSEs to attend enrichment classes at St Paul's Girls' School. Productive links have also been established with local secondary schools including sharing expertise in preparing students for higher education. Girls from Wandsworth and Hammersmith and Fulham primary schools are invited to enrichment days at the school and further links are being established with schools in other neighbouring boroughs. The school also offers extra-curricular enrichment activities such as the 'Minimus' scheme to teach Latin to children in local primary schools. This year, children from two local primary schools took part in a music project at the school and performed with the St Paul's Girls' School lower school orchestra.

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.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

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. The school also welcomed support this year for new facilities and resources. A total of £1.9 million was secured in new donations and pledges thanks to some very generous donors.

The school secured new donations and pledges totalling £413,000 for the endowed bursary fund, which was £6.1 million on 31 August 2012. An extremely generous pledge of £400,000 was received, to be paid over time, with the aim of endowing a full bursary in perpetuity. All donations made to name a seat in the recently refurbished Singing Hall were allocated to the endowed bursary fund.

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. £47,000 was pledged in response to that report.

To mark the school's particular appreciation for the generous support received from some significant donors a formal dinner was organised at Mercers' Hall. The guest speaker was Old Paulina Dr Elizabeth Hunt, who had seen active service as a General Duties Medical Officer on the front line in Afghanistan.

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 2011/12 9% of the school's pupils, which equates to 67 girls (the equivalent of 60 full places), received means-tested bursaries. The endowment funded the equivalent of 12 full places and the school funded the equivalent of 14 full places from its operating income. The combined donations from generous supporters participating in the syndicates and revenue-based bursary programme funded the remaining 34 full places.

In spring 2012 the parents of the 2012 leavers were successful in organising a bursary syndicate of 58 participants with excellent support from the VIII leavers. The leavers and their parents raised donations and pledges of £195,000 to fund two bursaries to enable pupils to join the school in September 2012. Thanks to this initiative one girl joined the school on a full means-tested bursary at 11+ and the other joined on a half-bursary at 16+.

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 funding was sought for two new projects to enhance and improve the school's environment and resources. This included a landscaped seating area for the girls behind the school, and the introduction of the Colet Fellows, two graduates from a US university who have joined the school as interns. A total of £79,000 was received for these two schemes. The school will continue to build a list of similar enhancements in the coming year.

The school was delighted to receive a further bequest of £8,000 from Old Paulina, Dr Joan Spong taking her total legacy to £127,000. The school is seeking to expand its legacy programme. The generous support of The Mercers' Company in hosting an informative and enjoyable tour for a group of alumnae with the archivist followed by tea was appreciated.

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.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

As a result of pledges and donations received during the year the school is able to offer bursaries to 13 of the new MIV girls who joined in September 2012 and three girls in VII who have just started their A Level courses

Over the summer of 2012 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 MIV fair in which the girls participated to raise funds for the bursary programme

Alumnae Activities

With the expansion of the team to include a specialised database support role, alumnae relations activity during the 2011/12 academic year included a range of tailored events and communications material around particular age groups, fields of interest and regional addresses, alongside the usual reunions and publications

The events schedule began with the official opening of the Singing Hall in the Autumn term attended by alumnae and including two outstanding alumnae musicians. The annual joint OP comedy night proved very popular with younger OPs from both St Paul's Girls' School Schools, and the Carol Service and Christmas Concerts all welcomed a large alumnae presence. In the New Year an Evensong gathering was hosted with over 100 Old Paulinas from across the years and it is hoped that this success will be repeated next year as the event returns to its traditional home at Mercers' Hall

In the spring student alumnae rallied in London, Cambridge and Oxford to talk to girls in the VII considering their university career choices. The school also hosted the first professional networking evening for OPs working in Law as well as girls and their parents with an interest in a Law career. The evening consisted of a panel of expert OP Law professionals debating provocative subjects chosen by the Paulina Law Society, with the opportunity to network afterwards.

The Summer term began with a joint OP business breakfast hosted by Lucy Findlay, OP 1983 to 1990, Chief of Staff at the Confederation of British Industry, based at Centrepont in the heart of London's West End. The event was oversubscribed and the next one will take place in November. In June the school also hosted the class of 2002's ten year reunion with 50 girls and staff returning to catch up and reminisce about their time at St Paul's Girls' School. The school welcomed back a similarly high number of Old Paulinas at the class of 2007 reunion in September.

International and regional alumnae groups have continued to be very active with regular events and communications. The American Friends group has been particularly successful this year and as well as including notices for upcoming events in the monthly e-bulletins the school has been able to target OPs living in and around particular areas in the US, specifically New York.

The Review magazine underwent a significant redesign with the first new-look edition published in February. It continues to be a popular read as does the monthly alumnae e-bulletin, which is less formal and more conversational, whose audience expanded this year to include current St Paul's Girls' School staff. The school hopes to implement an online platform specially for alumnae to interact directly with each other and with the school, and to provide an accessible source for information about all upcoming events and activities. This will bring e-communications in line with the look of other school publications as well as building on the quality and quantity of alumnae data, so making better use of the sophisticated and underused Raiser's Edge database. In the meantime free social media sites have been used to grow the school's online presence with a new Facebook page and a very successful, active LinkedIn group, boasting over 400 members.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

TRUSTEES' REPORT (continued)

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 93% of results were at grade A/A* and at GCSE A*/A accounted for 98% of results. The percentage of 49% at A* grade at A level was very pleasing and significantly above the national average.

The Music department had a highly successful year, opening with a concert on the birthday of Gustav Holst to mark the re-opening of the historic Singing Hall. The programme featured outgoing head of keyboard John York playing Debussy. The Christmas concert featured *The Pillow Book*, a new work by Mark Wilderspin. Andrew Brownell was the distinguished guest for Parfitt Day celebrating piano playing, and the leaving year music scholars performed excerpts from a series of concerti for their valedictory 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 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 and featured a number of innovative mixed media installations.

The Drama department had a successful year which included a number of formal and informal productions. Of particular note was the large scale musical *Sweet Chanty* and the play performed by final year students, *A Midsummer Night's Dream*, the latter set in a modern motorway protestors' idiom. The second 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. Participation numbers in lacrosse, netball and cricket have significantly increased over the last two years. The U14 netball team qualified for the National Schools Regional round which is the second time the school has ever achieved this level and the U13 netball team were the Middlesex County Champions this year. The U12 swimming team was also successful in becoming the London Schools champions and the U15 Lacrosse team won the Indoor Middlesex County Lacrosse Tournament. The highlight of the year was the Olympic festival which involved almost the whole school in a wide range of sports, representing China, Italy, Mexico, Russia and Switzerland. Many girls have also reached an outstanding level in their chosen sports pursued outside school including chess, fencing, rowing, lacrosse, netball, swimming and tennis.

Over 100 clubs and societies flourish in the school covering a wide range of areas including Classics, Geography, History, Maths, Literature, Politics and Science, many of these led by students. Speakers addressing the senior school as part of the Friday lecture programme over the year included Sir Harold Atcherly, Helena Morrissey, Lord Butler of Brockwell, Dr Suzy Lishman, Professor Jane Stapleton and Lindsey Hilsum.

There were many successes in national competitions including Mandarin speaking and Russian writing competitions, the Maths and Biology Olympiads and creative writing.

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 £1,077,000 of which £837,000 is unrestricted. The unrestricted surplus represents 6.1% of total unrestricted incoming resources compared with 8.0% in the previous year.

The total income for the year ended 31 August 2012 was £15,056,000 (2011: £15,254,000) of which £12,731,000 (2011: £11,836,000) was fee income. The total resources expended were £13,979,000 (2011: £13,054,000), the most significant expense being staff costs which represent 59% of outgoing resources. Capital expenditure in the year was £209,000 (2011: £1,367,000).

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

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 2012, before taking the pension deficit into account, totalled £6,139,000 (2011 £5,127,000) which represents approximately 5.7 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. £17,000 of the designated fund was utilised in the year for hardship awards.

The defined benefit pension scheme for the non-teaching staff is in deficit amounting to £1,715,000 (2011 £1,958,000) which impacts on the free reserves of the school disclosed above. The school has made additional contributions totalling £211,000 (2011 £211,000) in the year.

Investment Policy

Rothschild have been given discretionary power to manage the endowment portfolio on a day to day basis, reporting to the Investment Sub-Committee. 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 in Qualifying Investments.

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 Rothschild investment portfolio has performed satisfactorily over the year to 31 August 2012 in the turbulent markets, generating a total return of 4.35%, ending at a valuation of £6.9 million, with a yield of 2% over the period.

FUTURE PLANS

The school's strategic aims remain in place. Over the coming year the school plans to address the following issues:

- Undertaking further work to ensure that entrance examinations are fit for purpose
- Matching the results of entrance exams to GCSE performance
- Extending academic and educational links with St Paul's School, Barnes
- Holding a freshers' fair to choose co-curricular activities
- Monitoring the "pupil experience"
- Developing the PSHE curriculum
- Continuing to refine proposals for the future development of the site
- Promoting the school's senior school offer to external candidates especially those seeking bursaries
- Continuing to monitor the balance of pupils' lives and ensuring personal welfare
- Continuing to introduce a more engaged HR strategy to ensure retention and staff development

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

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,
- observe the methods and principles in the Charities SORP,
- 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

6 December 2012

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

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 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 20

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 2012 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 2012

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 6 December 2012

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

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)
For the year ended 31 August 2012

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2012	Total 2011
		£'000	£'000	£'000	£'000	£'000
Incoming resources						
Incoming Resources from Charitable Activities						
Fees	2	12,731	-	-	12,731	11,836
Other educational income		413	-	-	413	497
Grants		-	165	-	165	586
Incoming Resources from Generated Funds						
Trading income		369	-	-	369	360
Rents		81	-	-	81	78
Investment income	3	174	126	-	300	211
Donations, gifts and legacies		38	774	175	987	1,670
Other incoming resources		10	-	-	10	16
Total incoming resources		13,816	1,065	175	15,056	15,254
Resources expended						
Costs of Generating Funds						
	5	651	51	-	702	639
Charitable Activities						
Provision of education	5	12,226	949	-	13,175	12,287
Governance Costs		102	-	-	102	128
Total resources expended	4&5	12,979	1,000	-	13,979	13,054
Net incoming resources before other recognised gains and losses		837	65	175	1,077	2,200
Realised gains / (losses) on investments	7	(12)	-	(33)	(45)	54
Net income for the year		825	65	142	1,032	2,254
Unrealised gains / (losses) on investments	7	(2)	36	193	227	210
Pension scheme actuarial gain/(loss)	17	171	-	-	171	188
Net movement in funds		994	101	335	1,430	2,652
Fund balances at 1 September 2011		13,687	1,365	5,800	20,852	18,200
Fund balances at 31 August 2012		14,681	1,466	6,135	22,282	20,852

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

All of the school's activities represent continuing operations

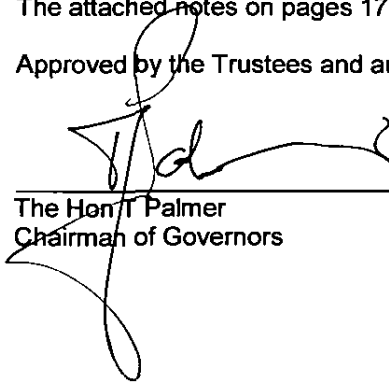
ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

BALANCE SHEET
As at 31 August 2012

		2012		2011	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		10,779		11,481
Investments	7		6,955		6,812
			<u>17,734</u>		<u>18,293</u>
Current assets					
Stock		152		167	
Debtors	8	512		506	
Cash		<u>12,171</u>		<u>7,509</u>	
		12,835		8,182	
Current liabilities					
Creditors amounts falling due within one year	9	<u>(4,786)</u>		<u>(1,732)</u>	
Net current assets			<u>8,049</u>		<u>6,450</u>
Total assets less current liabilities			25,783		24,743
Creditors amounts falling due after more than one year	10		<u>(1,786)</u>		<u>(1,933)</u>
Net assets excluding pension liability			23,997		22,810
Pension scheme liability	17		<u>(1,715)</u>		<u>(1,958)</u>
Net assets including pension liability			<u>22,282</u>		<u>20,852</u>
Funds					
Endowment	13,14		6,135		5,800
Restricted	13,14		1,466		1,365
Unrestricted	13,14		<u>16,396</u>		<u>15,645</u>
			23,997		22,810
Total Funds before pension liability					
Pension Scheme funding reserve	17		<u>(1,715)</u>		<u>(1,958)</u>
Total Funds including deficit on pension scheme reserve			<u>22,282</u>		<u>20,852</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 6 December 2012 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 2012

CASH FLOW STATEMENT

For the year ended 31 August 2012

	Notes	2012		2011	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	18		4,863		2,751
Returns on investment and servicing of finance					
Dividends		96		106	
Interest received		<u>155</u>		<u>118</u>	
			251		224
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(209)		(1,367)	
Purchase of investments		(1,986)		(2,496)	
Proceeds from sale of investments		<u>2,025</u>		<u>1,717</u>	
			<u>(170)</u>		<u>(2,146)</u>
Movement in cash before advance fees			4,944		829
 New advance fees		 43		 41	
Amounts accrued to advance fee contracts		7		11	
Amounts utilised and repaid		<u>(332)</u>		<u>(327)</u>	
			<u>(282)</u>		<u>(275)</u>
Increase in cash			4,662		554
Cash at 1 September 2011			7,509		6,955
Cash at 31 August 2012			12,171		7,509

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 2012

NOTES TO THE ACCOUNTS

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 Act 2011 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 2012

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	4-10 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 2012

NOTES TO THE ACCOUNTS (continued)

2. FEES	2012	2011
Fees consist of	£'000	£'000
Gross fees	13,135	12,235
Less bursaries, grants and allowances	<u>(1,294)</u>	<u>(1,132)</u>
	11,841	11,103
Add bursaries and grants received from restricted funds	<u>890</u>	<u>733</u>
	<u>12,731</u>	<u>11,836</u>
 3. INVESTMENT INCOME	 2012	 2011
	£'000	£'000
Dividends	101	93
Bank and building society interest	<u>199</u>	<u>118</u>
	<u>300</u>	<u>211</u>
 4 TOTAL RESOURCES EXPENDED	 2012	 2011
	£'000	£'000
Includes		
Wages and salaries	6,698	6,317
Social security costs	646	592
Pension costs	824	817
Peripatetic costs	<u>99</u>	<u>91</u>
	8,267	7,817
Staff benefits		
Medical insurance	<u>43</u>	<u>38</u>
	<u>8,310</u>	<u>7,855</u>
Auditor's remuneration		
For audit	27	26
Other	<u>5</u>	<u>6</u>
The average number of persons employed on a full-time equivalent basis by the charity during the year was		
Educational	103	101
Other	<u>58</u>	<u>59</u>
	<u>161</u>	<u>160</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 YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

4 TOTAL RESOURCES EXPENDED (continued)

The Trustees have not received any emoluments during the year (2011 £Nil) Six Trustees (2011 three) incurred travel and subsistence expenses amounting to £1,652 (2011 £806) which were reimbursed or paid for directly by the school

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

	2012	2011
£60,000 - £69,999	18	12
£70,000 - £79,999	2	1
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1
£160,000 - £169,999	-	1
£170,000 - £179,999	1	-

For 21 (2011 15) of the above staff, pension contributions amounting to £208,000 (2011 £153,000) were paid for the provision of defined benefits pension schemes Two staff members (2011 one) had benefits of £24,000 (2011 £14,000) accruing under defined contribution pension schemes

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Depre- ciation £'000	2012 Total £'000	2011 Total £'000
Costs of generating funds					
Trading costs	37	313	-	350	331
Financing costs	-	127	-	127	107
Fundraising	150	27	-	177	158
Investment management	-	48	-	48	43
	187	515	-	702	639
Charitable activities					
Education	6,390	1,455	73	7,918	7,530
Welfare	451	345	-	796	729
Premises	510	1,174	829	2,513	2,312
Support costs	772	287	-	1,059	977
Grants, awards and prizes	-	889	-	889	739
	8,123	4,150	902	13,175	12,287
Governance costs	-	102	-	102	128
	8,310	4,767	902	13,979	13,054

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

6. TANGIBLE ASSETS

	Charitable Properties £'000	Furniture Fittings & Equipment £'000	Computers £'000	Total £'000
Cost				
At 1 September 2011	11,897	2,150	700	14,747
Additions	-	98	111	209
Disposals	(9)	(11)	-	(20)
At 31 August 2012	11,888	2,237	811	14,936
Depreciation				
At 1 September 2011	1,773	1,106	387	3,266
Charge for the year	372	309	221	902
Disposals	-	(11)	-	(11)
At 31 August 2012	2,145	1,404	608	4,157
Net book value				
At 31 August 2012	9,743	833	203	10,779
At 31 August 2011	10,124	1,044	313	11,481

7. INVESTMENTS

	Listed investments	
	2012	2011
	£'000	£'000
Valuations at 1 September 2011	6,812	5,769
Additions	1,986	2,496
Disposal proceeds	(2,025)	(1,717)
Gains on investments	182	264
As at 31 August 2012	6,955	6,812
Historical cost of Investments	6,098	6,013

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

7. INVESTMENTS (continued)

The breakdown of listed investments as at 31 August 2012 and 2011 is as follows

	2012	2011
	£'000	£'000
UK equities	1,692	1,980
Overseas equities	2,442	2,332
Fixed interest - UK	1,312	1,533
Fixed interest - overseas	611	293
Alternative investments - UK	393	341
Alternative investments - overseas	505	333
	<u>6,955</u>	<u>6,812</u>

The total amount of UK investments is £3,397,000 (2011 £3,854,000) and the total amount of overseas investments is £3,558,000 (2011 £2,958,000)

There were no investments representing more than 5% of the total market value of the portfolio as at 31 August 2012 or 2011

8 DEBTORS

	2012	2011
	£'000	£'000
Fee debtors	15	48
Loans to staff	32	45
Sundry debtors	233	212
Prepayments	<u>232</u>	<u>201</u>
	<u>512</u>	<u>506</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.

9. CREDITORS, due within one year

	2012	2011
	£'000	£'000
Trade creditors	309	315
Fees received in advance	3,483	326
Refundable deposits (note 11)	192	201
Advanced fees scheme (note 11)	251	292
Taxation and social security	180	179
Other creditors and accruals	<u>371</u>	<u>419</u>
	<u>4,786</u>	<u>1,732</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

10 CREDITORS amounts falling due after more than one year

	2012	2011
	£'000	£'000
Fees received in advance	-	18
Refundable deposits (note 11)	1,481	1,369
Advanced fees scheme (note 11)	305	546
	<u>1,786</u>	<u>1,933</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

11. 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	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
After 5 years	547	516	-	18
Between 2 to 5 years	713	662	168	282
Between 1 to 2 years	221	191	137	246
After more than 1 year	1,481	1,369	305	546
Within 1 year	192	201	251	292
	<u>1,673</u>	<u>1,570</u>	<u>556</u>	<u>838</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

	2012	2011
	£'000	£'000
As at 1 September 2011	838	1,113
New contracts	43	41
Amounts accrued to contracts	7	11
Capital refund	(28)	-
	<u>860</u>	<u>1,165</u>
Amounts utilised in payment of fees	(304)	(327)
As at 31 August 2012	<u>556</u>	<u>838</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

12 OPERATING LEASE COMMITMENTS

The school has the following annual commitments under operating leases

	2012	2011
	£'000	£'000
Less than one year	1	-
Between one to two years	-	2
	<u>1</u>	<u>2</u>

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

13. ANALYSIS OF NET ASSETS

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

Group	Tangible	Investments	Net Current	Long Term	Total
	Fixed Assets			Liabilities & Pension Deficit	
	£'000	£'000	£'000	£'000	£'000
Endowment Funds	-	5,672	463	-	6,135
Restricted Funds	-	752	714	-	1,466
Unrestricted Funds	10,779	531	6,872	(3,501)	14,681
	<u>10,779</u>	<u>6,955</u>	<u>8,049</u>	<u>(3,501)</u>	<u>22,282</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

14. FUNDS

	1 Sep 2011 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers & Other Gains / (Losses) £'000	31 Aug 2012 £'000
Endowed funds					
Bursary Funds	5,783	175	-	171	6,129
Prize Funds	17	-	-	(11)	6
	5,800	175	-	160	6,135
Restricted funds					
Foundation Bursary Funds	1,165	974	(940)	28	1,227
Prize Funds	55	1	(3)	12	65
Buildings	119	68	(53)	-	134
Sundry Restricted Funds	26	22	(4)	(4)	40
	1,365	1,065	(1,000)	36	1,466
Unrestricted funds					
General Reserves	13,293	13,810	(12,962)	26	14,167
Bursaries Fund	225	4	(17)	67	279
Buildings Fund	169	2	-	64	235
	13,687	13,816	(12,979)	157	14,681

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.

15. CONTRACTS AND COMMITMENTS

At 31 August 2012, there were authorised capital commitments of £ Nil (2011: £Nil).

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

16. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2012 (2011 none)

17. PENSIONS

a) Non-Teaching Staff Pension Fund

The school makes contributions to the St Pauls' 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 2011. The 31 August 2011 valuation has been updated to 31 August 2012 for the purpose of compliance with Financial Reporting Standard 17. The principal assumptions used in that valuation are as follows:

	2012	2011
Rate of increase in salaries	2.9%	4.3%
Discount rate	4.0%	5.7%
Inflation assumption (RPI)	2.5%	3.3%
Inflation assumption (CPI)	1.7%	n/a
5% LPI pension increase assumption	1.7%	3.3%
2.5% LPI pension increase assumption	1.6%	2.4%

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

	Male		Female	
	2012	2011	2012	2011
Members attaining age 60 at year-end	27.4 years	28.5 years	29.4 years	31.0 years
Members attaining aged 60 20 years from year-end	29.9 years	29.9 years	31.0 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 31/08/2012	Value at 31/08/2012 £'000	Proportion of total assets at 31/08/2012	Long term rate of return expected at 31/08/2011	Value at 31/08/2011 £'000	Proportion of total assets at 31/08/2011
Equities	8.0%	1,727	51%	8.0%	1,363	46%
Bonds	2.9%	893	26%	6.0%	863	29%
Other	4.0%	289	9%	4.0%	235	8%
Secured pensions	4.0%	469	14%	5.7%	502	17%
Total market value of assets		3,378			2,963	
Present value of scheme liabilities		<u>(5,093)</u>			<u>(4,921)</u>	
Deficit in scheme		<u>(1,715)</u>			<u>(1,958)</u>	

The actual return on the Scheme's assets net of expenses over the year to the review date was approximately 8.2% (2011 5.4%). 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 2012

NOTES TO THE ACCOUNTS (continued)

17. PENSIONS (continued)

FRS 17 disclosures as at 31 August 2012

Amounts Recognised in the Balance Sheet at 31 August 2012

	Value at 31 August 2012 £'000	Value at 31 August 2011 £'000
Fair value of assets	3,378	2,963
Present value of funded obligations	<u>(5,093)</u>	<u>(4,921)</u>
Scheme deficit	<u>(1,715)</u>	<u>(1,958)</u>

Amounts disclosed on the balance sheet are made up of:

	Value at 31 August 2012 £'000	Value at 31 August 2011 £'000
Liabilities:		
Present value of funded obligations	(5,093)	(4,921)
Assets		
Fair value of assets	<u>3,378</u>	<u>2,963</u>
Net liability	<u>(1,715)</u>	<u>(1,958)</u>

Amounts Recognised in the Statement of Financial Activities

	31 August 2012 £'000	31 August 2011 £'000
Current service cost	101	132
Interest cost	272	240
Expected return on assets	(160)	(156)
Past service cost	-	-
Total	<u>213</u>	<u>216</u>

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the year was

	31 August 2012 £'000	31 August 2011 £'000
Fair value of assets at 1 September 2011	2,963	2,709
Expected return on assets	160	156
Total contributions	321	341
Benefits and expenses paid	(149)	(234)
Actuarial (loss)/gain	<u>83</u>	<u>(9)</u>
Fair value of assets at 31 August 2012	<u>3,378</u>	<u>2,963</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

17. PENSIONS (continued)

The change in defined benefit obligation over the year was

	31 August 2012 £'000	31 August 2011 £'000
Defined benefit obligation at 1 September 2011	4,921	4,938
Current service cost	101	132
Contributions by scheme participants	36	42
Past service cost	-	-
Interest cost	272	240
Benefits paid	(149)	(234)
Actuarial (gain)/loss	(88)	(197)
Defined benefit obligation at 31 August 2012	<u>5,093</u>	<u>4,921</u>

The pension charge in the year payable by the school in respect of non-teaching staff was £284,000 (2011 £298,000). 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 £117,000 (2011 £95,000).

The amounts for current and previous periods are as follows

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Defined benefit obligation	(5,093)	(4,921)	(4,938)	(4,377)	(3,868)
Scheme assets	3,378	2,963	2,709	2,366	2,530
Surplus/(deficit)	<u>(1,715)</u>	<u>(1,958)</u>	<u>(2,229)</u>	<u>(2,011)</u>	<u>(1,338)</u>
Experience gains/(losses) on scheme liabilities	339	(49)	(103)	(69)	202
Experience gains/(losses) on scheme assets	83	(9)	22	(471)	(475)

b) Teaching Staff Pension Scheme

The school participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the school. As required by FRS17 "Retirement Benefits", the school accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2012

NOTES TO THE ACCOUNTS (continued)

17 PENSIONS (continued)

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%. The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension cost charge for the year payable by the school in respect of teaching staff was £607,000 (2011 £591,000).

**18 RECONCILIATION OF NET INCOMING RESOURCES TO
NET CASH INFLOW FROM OPERATIONS**

	2012	2011
	£'000	£'000
Net incoming resources	1,077	2,200
Depreciation charge	902	847
Loss on disposal of tangible fixed assets	9	-
Dividend income	(101)	(93)
Interest receivable	(199)	(118)
Decrease / (increase) in stock	15	(46)
Decrease / (increase) in debtors	43	(30)
Increase / (decrease) in creditors	3,086	(55)
Pension costs arising from FRS17	(72)	(83)
Increase in refundable deposits	103	129
	<u>4,863</u>	<u>2,751</u>

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

	2012	2011
	£'000	£'000
Opening cash at bank	7,509	6,955
Change in year	<u>4,662</u>	<u>554</u>
Closing cash at bank	<u>12,171</u>	<u>7,509</u>

20 RELATED PARTY TRANSACTIONS

The following transactions occurred during the year with related parties:

The Mercers' Educational Trust Fund made bursary grants of £30,000 (2011 £30,000) to the school.

The school paid rent of £1,000 (2011 £1,000) to St Paul's Schools Foundation during the year.

The Mercers' Charitable Foundation made a grant of £Nil (2011 £420,000) during the year towards the development of the school's IT infrastructure and equipment.

The school has made payments of £24,853 to the Mercers' Company (2011 £Nil) for the costs of a staff secondment and hall hire. The school also recharged £1,175 (2011 £Nil) to the Mercers' Company for support provided by the school to the Hammersmith Academy Science department.