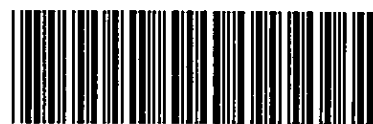


ST PAUL'S GIRLS' SCHOOL
ACCOUNTS
YEAR ENDED 31 AUGUST 2013

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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 2013

TRUSTEES' REPORT

The Trustees present their report and the audited financial statements for the year ended 31 August 2013

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 + #
Mrs Pauline Davies +
Mr Michael de Giorgio +
Mr Daniel Hodson * §
Ms Alice Hohler * #
Mrs Dervilla Mitchell (appointed 25 September 2013)
Miss Cally Palmer (appointed 24 September 2013)
The Hon Timothy Palmer (Chairman) + * # §
Miss Judith Portrait *
Prof Dame Jessica Rawson +
Dr Julia Riley
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
and Company Secretary

Mrs Nicki Goodfellow (appointed 6 December 2012)

High Mistress

Ms Clarissa Farr

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

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

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
Actuaries	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW
	Punter Southall Ltd 11 Strand London WC2N 5HR
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 2013

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, Mrs Pauline Davies, Mr Michael de Giorgio, Mr Daniel Hodson, Ms Alice Hohler, The Hon Timothy Palmer, Miss Judith Portrait, Prof Dame Jessica Rawson, Dr Julia Riley and Prof Charlotte Roueche.

Miss Cally Palmer was appointed on 24 September 2013. Mrs Dervilla Mitchell was appointed on 25 September 2013.

Mr Richard Cunis retired on 31 July 2013.

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 are given an induction package, a tour of the school and meetings with key members of staff. During the course of the year, there are further training sessions and recommendations are made about suitable courses for Governors to attend. In addition, from time to time, the Mercers' Company 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 makes 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 2013

TRUSTEES' REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Investment Sub-Committee

- advises and makes recommendations to the Finance & Estates Committee in respect of all investments other than the school's 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 appropriate premises to realise the educational aims and 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. A Client Management Group comprising Governors, senior staff and consultants has been formed to critically evaluate potential strategies for enhancing the school site.
- The school has recently re-drafted its crisis management plan and undertakes review exercises to ensure that procedures are in place and remain up to date to address potential crisis situations.
- An expanding outreach programme seeks to attract potential bursary applicants.

The Governors are satisfied that there are systems in place to mitigate these risks, and other major risks identified, to an acceptable level. 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.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Aims and Intended Impact

The school's values and ethos are prominently outlined in the newly launched 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 intellectual tradition which emphasises independent learning and a serious commitment to scholarship for its own sake.

The High Mistress describes the school's ethos as follows

The day I first walked through the doors of Horsley's elegant building and, standing on cool marble, looked up into the roof space to see a life sized sculpture of a deep sea diver made of flotsam and floating as if in mid ocean, I lost my heart to St Paul's. So it is for us all something about the school catches our imagination, makes us see the familiar afresh, leaves us stirred and changed

Founded in 1904 as one of the first purpose built schools for girls, St Paul's is a piquant mixture of tradition and innovation. The emphasis on liberal learning established by the first High Mistress Frances Gray and Director of Music Gustav Holst, finds expression today in an academically challenging curriculum, which emphasises intellectual freedom and discovery. Paulinas enjoy the difficult subjects. Ancient Greek and Physics are popular, as are German and Maths. A broad co-curricular programme includes sport, exceptional music and drama as well as over 100 clubs, from political discussion group to dissection society, often led by girls. An education at St Paul's is a quest for "that special illumination and largeness of mind" which comes from a pure pleasure in learning. Paulinas pursue ideas for their own sake and not simply in order to pass examinations.

As a school which fosters independence and individuality, St Paul's is managed with a light touch and relationships are respectful yet relaxed. There are few rules, no uniform and no house system. The girls are encouraged early to take charge of their lives, to be able to embrace the unexpected and to become resilient, self-reliant young women. At the same time small tutor groups promote a kind and supportive community, where it's acknowledged that school is about working together and learning from mistakes as well as successes. Paulinas are encouraged to be themselves they are not expected to be perfect.

An education at St Paul's was described by one former pupil as "the most exceptional and life changing gift I could ever have received". Mindful of this, and of the powerful lifelong connections with one another they enjoy, Paulinas seek to serve their local and wider communities through imaginative social enterprise and charitable engagement. Opportunities for travel abound and on leaving, the girls see themselves stepping out onto a worldwide stage.

Above all, St Paul's is a place of boldness, warmth, creativity and fun, where the search for precision and beauty matter and where humour and laughter are never far away.

In the furtherance of these aims the Governors, as the Charity trustees, confirm that they have complied with the requirements set out in 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.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Objectives for the Year

The school reaffirmed its commitment to seven strategic aims covering all areas of its activity which are expressed 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. Over the past year these have included

- Developing improved systems for monitoring academic achievement year on year
- Embarking on the ALPS A level benchmarking project
- Developing an improved PSHE (personal, social and health education) programme
- Holding a September Freshers' Fair for clubs and societies
- Ensuring that co-curricular education is of high quality and meaningful for the students
- Launching outdoor education opportunities appropriate to the capabilities and needs of the students
- Introducing an end of year celebration event to mark the progress of girls from the UIV into the middle school
- Reviewing and extending the range of subject prizes
- Further clarifying the admissions policy for 11+ and 16+ to ensure that all accepted applicants are capable of benefiting from the school's provision
- Extending further the school's individual relationships with feeder schools in the maintained sector
- Building a more significant fund for the financing of bursaries and in particular developing the leavers' bursary initiative
- Holding a second annual event for senior leaders in independent schools in the London area
- Holding an Olympic legacy festival throughout the year with cross curricular participation, culminating in a sporting finale
- Putting in place improved Human Resource management including opportunities for short term outplacements and exchanges

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

- Taking forward plans for the long term development of the school's site to provide better teaching accommodation and social spaces
- Influencing the public debate on education through placing articles in journals and newspapers and by hosting conferences – e.g. the National Independent Schools' Drama Association
- Developing a closer reciprocal relationship with Hammersmith Academy
- Extending academic and educational links with St Paul's School
- The preparation of a new website launched in September 2013

Principal Activities of the Year (including Public Benefit)

The school is academically selective and educates girls from age 11 to 18. In September 2012 there were 741 students on roll with 210 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. Applications to join the school for this age group have increased in the last three years from 70 to 106 and up to 20 places are offered. While some girls' schools see large numbers leaving for co-educational sixth forms, retention into the senior school is good. In September 2013, only 7 girls will leave to pursue their studies elsewhere and 14 will join the school.

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 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 2013, 72 (2012: 67) girls received means-tested bursaries, 23 (2012: 25) girls received music scholarships and 32 (2012: 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.

Awards-making Policy

The school encourages applications from all candidates of academic potential regardless of the family's ability to pay fees. All applicants sit the same admissions process. Awards are made on the basis of detailed means-testing taking into account the family's income, realisable assets and other relevant circumstances. A home visit forms part of the initial assessment and the awards are re-assessed annually. The percentage reduction offered is up to 100% of the tuition fee. The total cost of means-tested bursaries in the year to 31 August 2013 was £1,311,000.

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 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 £1.2 million for the endowed bursary fund, which had a balance of £7.8 million at 31 August 2013. All donations made to name a seat in the Singing Hall were allocated to the endowed bursary fund.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

A Foundation 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 and to publicise the school's needs for the coming year. The report included an appeal for educational projects such as rowing boats and pianos in addition to the bursary programme. £135,000 was donated in response to that report. Those funds designated to rowing boats or pianos, together with matching funds from the school, made it possible to purchase a new four and a new pair for rowing, two grand pianos and seven upright pianos for the practice rooms. Both co-curricular activities will be greatly enhanced as a result.

In spring 2013 a St Paul's family sponsored a performance by *Out of the Blue*, Yale University's a cappella group, in aid of the school's piano appeal. The evening raised an additional £15,000 towards new pianos.

In spring 2013 the parents of the 2013 leavers were successful in organising a bursary syndicate of 43 participants. The leaving parents raised donations and pledges of £157,000 towards a bursary to enable a MIV pupil to join the school in September 2013.

To mark its 110th anniversary the school is seeking donations to create prizes for UIV girls as they leave the lower school. This is an ongoing initiative and the school is delighted so far to have named five prizes.

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. A donation was also received from Re-Store, the St Paul's girl-run charity shop.

Members of the Foundation Council 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.

During the Spring and Summer terms the school continued to seek funds for bursaries. During the financial year 2012-13 72 girls received means-tested bursaries. The means-tested bursaries for those 72 girls equated to 65 fully funded places. The endowment funded the equivalent of 12.5 full places, the school funded the equivalent of 12.5 full places from its operating income and the combined donations from generous supporters participating in the syndicates and revenue-based bursary programme funded the remaining 40 full places.

As a result of pledges and donations received during the year the school was able to offer bursaries to 14 of the new MIV girls who joined in September 2013 and three girls in VII who have just started their A Level courses.

Over the summer of 2013 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.

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.

To mark the school's particular appreciation for the generous support received from some significant donors a formal dinner, sponsored by the Mercers' Company, was held at Mercers' Hall. The guest speaker was Old Paulina Bronwen Maddox, the Editor and Chief Executive of *Prospect* magazine.

Alumnae Activities

The alumnae relations programme at St Paul's Girls' School consists of a range of events and publications, enabling the school to keep in touch with alumnae (Old Paulinas, OPs) and foster goodwill throughout the alumnae community.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

The Review magazine is a termly printed publication which focuses on alumnae news, fundraising projects and school updates. It works together with the e-bulletin, a monthly electronic publication, to keep OPs informed of events and other, shorter, alumnae updates. The school also promotes the use of social media for alumnae, using LinkedIn to manage a growing members-only group and using Facebook as an outward communication tool with younger alumnae. As of August 2013, the new alumnae website OPConnect.org.uk was completed, ready for launch in September. The site serves as a social network for OPs, enabling them to search an online directory and news archives and is also capable of processing online payments for events.

In addition to communications, the events calendar for alumnae is varied and aims to engage OPs of all ages and professions in as many geographic areas as possible.

During the 2012 Autumn term, the school hosted a reunion for the class of 2007 as well as joining with St Paul's School to host a joint 2002 class reunion and the annual Evensong service at St Paul's Cathedral, followed by a feast at Mercers' Hall. Later that term, the focus shifted to higher education events and alumnae gathered at the universities of Oxford, Cambridge and London to meet current St Paul's students and host question and answer sessions. In March, the school hosted the Yale University Out of the Blue concert, which proved to be a hugely successful fundraiser for pianos and attracted many alumnae.

The Summer term calendar was equally diversified, with a business breakfast hosted by an OP, the Head of Reinsurance Strategy at Swiss Re, and the class of 2003 10 year reunion at school. Beyond these regular events, the most successful one-off production was Holst's *Masque* on July 1, where around 150 OPs gathered at the school for a reception followed by the concert. The *Masque* had not been performed in full since the 1970s and alumnae ranging from the ages of 28 to 98 were thrilled to see and hear such a performance.

During the summer, a representative from the school travelled to the US to host a series of reunions in Boston, New York City and Washington DC. The events were very well attended, both by those who regularly participate in the American Friends group and those who had never come to a social before.

The school is also very fortunate to have a dedicated team of volunteers who help organise events and engage alumnae in different ways. There is a representative in the West Country who organises lunches with guest speakers and an active American Friends group who have regular socials in the New York area. In addition, there are two office volunteers who proofread the Review, manage the LinkedIn group, produce content for Facebook and contact lost alumnae.

In this upcoming academic year, OPConnect.org.uk will launch and the e-bulletin will be redesigned to meet the new branding guidelines. There will be an increase in the number of professional and networking events, aiming to connect with as many alumnae as possible. The Review also celebrates its 10 year anniversary and that will be marked in creative ways in the magazine.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Michael Wilshaw, the Chief Inspector of Schools, has recently challenged the independent sector to do more to raise educational standards across the country. Providing bursary places at St Paul's remains a key goal and the school is working steadily to increase these. During the year 2012-13, 72 girls were in receipt of means-tested financial support (9.7% of the school roll) of which 54 received full fee remission. There are also specialist academic and music scholars at all levels in the school. Strategies to reach bursary candidates have included gifted and talented days held in partnership with several local authorities, regular primary school visits, forging relationships with maintained senior schools for 16+ entry and advertising through the London fee remission consortium. Future developments include running a summer school for local primary school children. The school is committed to maintain very high academic expectations so attracting suitable bursary girls will always be challenging. Fundraising for bursaries continues in parallel and in difficult times, there is still an appetite to contribute to the quality of education offered at St Paul's with the Foundation Director achieving excellent results. The Governors' aim is to eventually offer financial assistance, in the form of bursaries, to 20% of girls in the school.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Linked to this, as part of the school's public benefit responsibilities the sports facilities are made available to local primary schools, clubs and charities, free or at discounted rates. Greenhouse is one long term partner. The school also shares expertise, for example inviting state school students to attend a higher education conference and providing a Latin scheme and a reading scheme for local primary children. There are active local links with Riding for the Disabled and 60+, as well as involvement with projects further afield, for example the Kitezh orphanage in Russia.

The school has strong links with its chief local state school partner, Hammersmith Academy. This year, students from the two schools have attended each other's lectures, St Paul's is learning from the Academy about e-security and there are several departmental links/mentoring arrangements in place. The school is stepping up this relationship considerably and is committed to helping the Academy move from a "good" inspection rating to "outstanding" in the next three years.

Students at St Paul's are also enthusiastic about their work for charities and social enterprise. This year in addition to running their own charity shop Re-Store they have predominantly supported *Just a Drop* and *Pancreatic Research*, raising through their own efforts just over £20,000, an exceptional achievement for a student community.

Educational developments

In public examinations, 2013 produced the best provisional GCSE results in the history of the school, against a national background of falling grades. 91.2% of entries achieved an A* and 99.4% of entries were at either A* or A grade. For the second year running there were no results lower than a B grade. More than half of the year group gained A* grades in all of their GCSEs.

At A level, there was a rise in the proportion of entries which attained A* or A grades to 92.4%. 42% of all entries achieved an A*. There were only six results graded at less than a B from 355 entries, a 98.3% A*B percentage. Fifteen girls attained straight A* grades in all of their A levels.

At AS level, results were the best since 2008. 86.9% of entries gained an A grade and 96.5% achieved an A or B. 70 students attained straight A grades in all of their AS levels and this bodes well for the prospects of this year group at A level and for their success in university applications.

In the co-curricular arena, developments in the creative arts saw some outstanding drama productions including *Women of Troy*, and a drama school directed course was launched for first teaching in September 2013 (replacing GCSE) with good take up. The Christmas production (joint with St Paul's School) will be *Les Misérables*. Music features ambitious programming which this year has included Britten's *St Nicolas*, Beethoven's 2nd Symphony and a centenary performance of Holst's *Masque*. The department also undertook a tour of northern Italy.

The Friday Lecture programme remains an important element in the senior school experience. Speakers since September have included Joanne Shaw, Chair, NHS Direct, Cally Palmer, Chief Executive, Royal Marsden NHS Foundation Trust, Professor Fred Piper, Information Security Group, Royal Holloway, Amelia Gentleman, journalist and Paulina, Baroness Jo Valentine, Chief Executive, London First and Paulina, Patrick Grant, fashion designer, Shami Chakrabarti, Director of Liberty, Alexandra Shulman, Editor, Vogue and Paulina, Simon Stephens, playwright, Liz Rideal, Slade School of Fine Art, Michelle Dyson, senior civil servant, Professor Richard Fortey, palaeontologist and author, Theo Fennell, jewellery designer, Michael Cockerell, broadcaster and journalist, and Rev'd Dr Andrew Davison, tutor in doctrine, Westcott House. 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.

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. This has been a successful year for rowing, with the winning of a silver medal in the national schools' competition. The school has two new boats, a pair (*the Glover and Stanning*) and a four (*the Conran*), thanks to the generosity of Shirley Conran, OP.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

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 and featured a number of innovative mixed media installations.

Recognising that the school's most valuable resource is its staff, the appointment of a senior professional as head of HR to join the senior team has been an important step. Other key appointments this year have been the Assistant Head, Director of Studies, Director of Sport, Director of Art and Design and Head of IT Systems. The school's objective is to offer rich opportunities for staff development and to this end, there will be an exchange and placement strategy for 2013-14, to enable staff to widen their experience and learn good practice from elsewhere.

The school continues to produce a number of printed publications but has now added a fortnightly online newsletter. A monthly online newsletter also goes to alumnae. A new website was launched in September, replacing the traditional printed prospectus. The school has held a number of events this year developing its role as an influential, innovative and opinion-forming institution. These have included the national conference for the National Independent Schools' Drama Association and a senior leaders' networking event for deputy heads at which Lord Green of Hurstpierpoint, Minister of State for Trade and Investment, spoke on preparing for life in a globalising world.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial results of the company are presented on page 16 of this report. The school generated total net incoming resources of £2,030,000 of which £1,529,000 is unrestricted (before transfer between funds). The unrestricted surplus (before transfers) represents 10.1% of total unrestricted incoming resources compared with 6.1% in the previous year.

The total income for the year ended 31 August 2013 was £16,800,000 (2012 £15,056,000) of which £13,875,000 (2012 £12,731,000) was fee income. The total resources expended were £14,770,000 (2012 £13,979,000), the most significant expense being staff costs which represent 60% of outgoing resources. Capital expenditure in the year was £275,000 (2012 £209,000).

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 2013, before taking the pension deficit into account, totalled £8,128,000 (2012 £6,139,000) which represents approximately 7.2 months of total unrestricted resources expended. After accounting for the pension deficit, it is proposed that the remaining surplus will go towards funding future capital projects.

The defined benefit pension scheme for the non-teaching staff is in deficit amounting to £1,328,000 (2012 £1,715,000) which impacts on the free reserves of the school disclosed above. The school has made additional contributions totalling £230,000 (2012 £211,000) in the year.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Investment Policy

Rothschild have been given discretionary power to manage the restricted and endowed investment portfolio, reporting to the Investment Sub-Committee. They have been instructed to adopt a medium risk/balanced 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 2013, generating a total return of 15.4% ending at a valuation of £7.9 million, with a yield of 1.9% over the period.

FUTURE PLANS

The school's strategic aims remain broadly in place but have been reworded as follows:

- 1 To offer an exceptional education for girls, which is both innovative and challenging and which prepares them as individuals to lead successful and fulfilled lives
- 2 To maintain a supportive and outward looking community with excellent pastoral care which acknowledges the particular needs of young people in contemporary society
- 3 To recruit students of conspicuous potential, irrespective of background, to achieve an intake which echoes the diversity of London as a capital city
- 4 To attract and retain staff of the highest calibre, providing excellent continuing professional development
- 5 To develop the existing site, technical infrastructure and management processes to reflect the character and evolving needs of the school
- 6 To build strong links with the wider St Paul's community locally, nationally and internationally
- 7 To enhance the reputation of St Paul's as the pre-eminent girls' day school, influencing educational debate and policymaking

With numbers in mind, the need to create order within the built environment of the school becomes ever more pressing. The school's building stock is well maintained but the premises have for some time been cramped and the layout is not optimal. The High Mistress is keen that all future building plans are informed by an estate-wide strategy that reflects the school's ethos and objectives: promoting focused and innovative teaching and learning, creating conditions for the best pastoral arrangements and pupil welfare, as well as providing within a tight city site sufficient breathing space and fresh air. Taking forward an estate strategy to the practical stage will therefore be a key objective for the coming year.

The school also intends to work on:

- The advancement of scholarship for its own sake
- Creating the conditions in which girls in a high achieving environment can flourish in the 21st century
- The development of a pupil area for the website
- A review of the 16+ curriculum
- Implementation of a new tracking system for academic progress
- Clarification of the school's priorities for bursaries
- Clarification of the school's priorities for providing public benefit, working with other charities and volunteering

**ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013**

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

5 December 2013

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

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 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 19

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013**

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

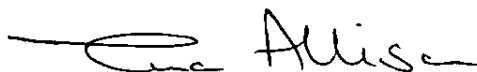
Opinion on other matter prescribed by the Companies Act 2006

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



Tina Allison
Senior Statutory Auditor
for and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor
Date 2013

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

18 December 2013

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)
For the year ended 31 August 2013

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2013 £'000	Total 2012 £'000
Incoming resources						
<i>Incoming Resources from Charitable Activities</i>						
Fees	2	13,875	-	-	13,875	12,731
Other educational income		604	-	-	604	413
Grants		-	168	-	168	165
<i>Incoming Resources from Generated Funds</i>						
Trading income		371	-	-	371	369
Rents		88	-	-	88	81
Investment income	3	180	128	-	308	300
Donations, gifts and legacies		9	886	480	1,375	987
Other incoming resources		11	-	-	11	10
Total incoming resources		15,138	1,182	480	16,800	15,056
Resources expended						
<i>Costs of Generating Funds</i>						
	5	584	57	-	641	702
<i>Charitable Activities</i>						
Provision of education	5	12,921	1,104	-	14,025	13,175
<i>Governance Costs</i>		104	-	-	104	102
Total resources expended	4&5	13,609	1,161	-	14,770	13,979
Net incoming resources before transfers		1,529	21	480	2,030	1,077
Transfers between funds	14	(291)	(25)	316	-	-
Net incoming resources before other recognised gains and losses		1,238	(4)	796	2,030	1,077
Realised gains / (losses) on investments	7	-	-	252	252	(45)
Net income for the year		1,238	(4)	1,048	2,282	1,032
Unrealised gains / (losses) on investments	7	15	101	608	724	227
Pension scheme actuarial gain/(loss)	16	236	-	-	236	171
Net movement in funds		1,489	97	1,656	3,242	1,430
Fund balances at 1 September 2012		14,681	1,466	6,135	22,282	20,852
Fund balances at 31 August 2013		16,170	1,563	7,791	25,524	22,282

The attached notes on pages 19 to 32 form an integral part of these accounts

All of the school's activities represent continuing operations

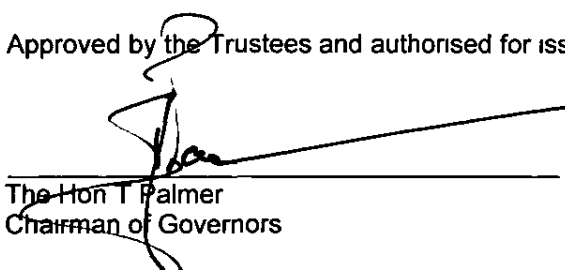
ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

BALANCE SHEET
As at 31 August 2013

		2013		2012	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		10,232		10,779
Investments	7		8,277		6,955
			<u>18,509</u>		<u>17,734</u>
Current assets					
Stock		155		152	
Debtors	8	585		512	
Cash		10,921		12,171	
		<u>11,661</u>		<u>12,835</u>	
Current liabilities					
Creditors amounts falling due within one year	9	(1,450)		(4,786)	
Net current assets			<u>10,211</u>		<u>8,049</u>
Total assets less current liabilities			<u>28,720</u>		<u>25,783</u>
Creditors amounts falling due after more than one year	10		(1,868)		(1,786)
Net assets excluding pension liability			<u>26,852</u>		<u>23,997</u>
Pension scheme liability	16		(1,328)		(1,715)
Net assets including pension liability			<u>25,524</u>		<u>22,282</u>
Funds					
Endowment	13,14		7,791		6,135
Restricted	13,14		1,563		1,466
Unrestricted	13,14		17,498		16,396
			<u>26,852</u>		<u>23,997</u>
Total Funds before pension liability					
Pension Scheme funding reserve	16		(1,328)		(1,715)
Total Funds including deficit on pension scheme reserve			<u>25,524</u>		<u>22,282</u>

The attached notes on pages 19 to 32 form an integral part of these accounts

Approved by the Trustees and authorised for issue on 5 December 2013 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 2013

CASH FLOW STATEMENT

For the year ended 31 August 2013

	Notes	2013		2012	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	17		(870)		4,863
Returns on investment and servicing of finance					
Dividends		97		96	
Interest received		<u>252</u>		<u>155</u>	
			349		251
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(275)		(209)	
Purchase of investments		(4,561)		(1,986)	
Proceeds from sale of investments		<u>4,215</u>		<u>2,025</u>	
			(621)		(170)
Movement in cash before advance fees			(1,142)		4,944
 New advance fees		 143		 43	
Amounts accrued to advance fee contracts		10		7	
Amounts utilised and repaid		<u>(261)</u>		<u>(332)</u>	
			(108)		(282)
Increase in cash			(1,250)		4,662
Cash at 1 September 2012			<u>12,171</u>		<u>7,509</u>
Cash at 31 August 2013			<u>10,921</u>		<u>12,171</u>

The attached notes on pages 19 to 32 form an integral part of these accounts

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

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 2013

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 2013

NOTES TO THE ACCOUNTS (continued)

2. FEES

Fees consist of

Gross fees

Less bursaries, grants and allowances

2013	2012
£'000	£'000
14,255	13,135
(1,450)	(1,294)

12,805	11,841
1,070	890

Add bursaries and grants received from restricted funds

13,875	12,731
---------------	--------

3. INVESTMENT INCOME

Dividends

Bank and building society interest

2013	2012
£'000	£'000
97	101
211	199

308	300
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4. TOTAL RESOURCES EXPENDED

Includes

Wages and salaries

Social security costs

Pension costs

Peripatetic costs

2013	2012
£'000	£'000
7,088	6,698
693	646
894	824
72	99
8,747	8,267

Staff benefits

Medical insurance

51	43
8,798	8,310

Auditor's remuneration

For audit

Other

28	27
18	5

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

Educational

Other

109	103
60	58
169	161

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 2013

NOTES TO THE ACCOUNTS (continued)

4. TOTAL RESOURCES EXPENDED (continued)

The Trustees have not received any emoluments during the year (2012 £Nil) Four Trustees (2012 six) incurred travel and subsistence expenses amounting to £1,488 (2012 £1,652) which were reimbursed or paid for directly by the school

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

	2013	2012
£60,000 - £69,999	22	18
£70,000 - £79,999	2	2
£80,000 - £89,999	1	1
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
£170,000 - £179,999	1	1

For 24 (2012 21) of the above staff, pension contributions amounting to £239,000 (2012 £208,000) were paid for the provision of defined benefits pension schemes Three staff members (2012 two) had benefits of £33,000 (2012 £24,000) accruing under defined contribution pension schemes

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Depre- ciation £'000	2013 Total £'000	2012 Total £'000
Costs of generating funds					
Trading costs	37	293	-	330	350
Financing costs	-	81	-	81	127
Fundraising	147	26	-	173	177
Investment management	-	57	-	57	48
	184	457	-	641	702
Charitable activities					
Education	6,765	1,786	56	8,607	7,918
Welfare	453	360	-	813	796
Premises	532	1,066	766	2,364	2,513
Support costs	864	303	-	1,167	1,059
Grants, awards and prizes	-	1,074	-	1,074	889
	8,614	4,589	822	14,025	13,175
Governance costs	-	104	-	104	102
	8,798	5,150	822	14,770	13,979

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

6. TANGIBLE ASSETS

	Charitable Properties £'000	Furniture Fittings & Equipment £'000	Computers £'000	Total £'000
Cost				
At 1 September 2012	11,888	2,237	811	14,936
Additions	-	137	138	275
Disposals	-	(32)	(118)	(150)
At 31 August 2013	11,888	2,342	831	15,061
Depreciation				
At 1 September 2012	2,145	1,404	608	4,157
Charge for the year	373	298	151	822
Disposals	-	(32)	(118)	(150)
At 31 August 2013	2,518	1,670	641	4,829
Net book value				
At 31 August 2013	9,370	672	190	10,232
At 31 August 2012	9,743	833	203	10,779

7. INVESTMENTS

	Listed investments	
	2013 £'000	2012 £'000
Valuations at 1 September 2012	6,955	6,812
Additions	4,561	1,986
Disposal proceeds	(4,215)	(2,025)
Gains on investments	976	182
As at 31 August 2013	8,277	6,955
Historical cost of Investments	7,068	6,098

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

7. INVESTMENTS (continued)

The breakdown of listed investments as at 31 August 2013 and 2012 is as follows

	2013	2012
	£'000	£'000
UK equities	1,494	1,692
Overseas equities	3,625	2,442
Fixed interest - UK	991	1,312
Fixed interest - overseas	463	611
Alternative investments - UK	988	393
Alternative investments - overseas	716	505
	<u>8,277</u>	<u>6,955</u>

The total amount of UK investments is £3,473,000 (2012 £3,397,000) and the total amount of overseas investments is £4,804,000 (2012 £3,558,000)

There was one investment (2012 none) representing more than 5% of the total market value of the portfolio relating to CF Morant Wright Japan Fund valued at £432,000 as at 31 August 2013

8. DEBTORS

	2013	2012
	£'000	£'000
Fee debtors	55	15
Loans to staff	28	32
Sundry debtors	290	233
Prepayments	212	232
	<u>585</u>	<u>512</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

	2013	2012
	£'000	£'000
Trade creditors	329	309
Fees received in advance	308	3,483
Refundable deposits (note 11)	224	192
Advanced fees scheme (note 11)	158	251
Taxation and social security	204	180
Other creditors and accruals	227	371
	<u>1,450</u>	<u>4,786</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

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

	2013	2012
	£'000	£'000
Refundable deposits (note 11)	1,578	1,481
Advanced fees scheme (note 11)	290	305
	<u>1,868</u>	<u>1,786</u>

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	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
After 5 years	579	547	41	-
Between 2 to 5 years	763	713	145	168
Between 1 to 2 years	236	221	104	137
After more than 1 year	1,578	1,481	290	305
Within 1 year	224	192	158	251
	<u>1,802</u>	<u>1,673</u>	<u>448</u>	<u>556</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

	2013	2012
	£'000	£'000
As at 1 September 2012	556	838
New contracts	143	43
Amounts accrued to contracts	10	7
Capital refund	-	(28)
	<u>709</u>	<u>860</u>
Amounts utilised in payment of fees	(261)	(304)
As at 31 August 2013	<u>448</u>	<u>556</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

12. OPERATING LEASE COMMITMENTS

The school has the following annual commitments under operating leases

	2013 £'000	2012 £'000
Less than one year	-	1
	<hr/>	<hr/>
	-	1

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 Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Long Term Liabilities & Pension Deficit £'000	Total £'000
Endowment Funds	-	6,821	970	-	7,791
Restricted Funds	-	1,029	534	-	1,563
Unrestricted Funds	10,232	427	8,707	(3,196)	16,170
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,232	8,277	10,211	(3,196)	25,524

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

14. FUNDS

	1 Sep 2012 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers & Other Gains / (Losses) £'000	31 Aug 2013 £'000
Endowed funds					
Bursary Funds	6,129	480	-	1,175	7,784
Prize Funds	6	-	-	1	7
	6,135	480	-	1,176	7,791
Restricted funds					
Foundation Bursary Funds	1,227	1,044	(1,132)	94	1,233
Prize Funds	65	8	(5)	7	75
Buildings	134	1	-	-	135
Sundry Restricted Funds	40	129	(24)	(25)	120
	1,466	1,182	(1,161)	76	1,563
Unrestricted funds					
General Reserves	14,167	15,131	(13,609)	481	16,170
Bursaries Fund (designated)	279	4	-	(283)	-
Buildings Fund (designated)	235	3	-	(238)	-
	14,681	15,138	(13,609)	(40)	16,170

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.

A total of £25,000 of donations towards rowing boats has been transferred from restricted to unrestricted funds as the funds have been expended and therefore the restriction on these funds has been met.

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. During the year, the Trustees agreed that a separate designated fund for the building programme was no longer required and the fund was undesignated and balance of £238,000 transferred back into general reserves on 31 August 2013. It was also agreed that funding for future bursaries could be financed through the endowment fund, without the need for a separate designated fund. The Board has therefore closed that designated fund by agreeing to donate its £316,000 balance to the Bursary Endowment Fund.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

15. CONTRACTS AND COMMITMENTS

At 31 August 2013, there were authorised capital commitments of £Nil (2012 £Nil)

16. 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 2013 for the purpose of compliance with Financial Reporting Standard 17. The principal assumptions used in that valuation are as follows:

	2013	2012
Rate of increase in salaries	3.65%	2.90%
Discount rate	4.50%	4.00%
Inflation assumption (RPI)	3.25%	2.50%
Inflation assumption (CPI)	2.25%	1.70%
5% LPI pension increase assumption	2.25%	1.70%
2.5% LPI pension increase assumption	2.00%	1.60%

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

	Male		Female	
	2013	2012	2013	2012
Members attaining age 60 at year-end	26.4 years	27.4 years	29.0 years	29.4 years
Members attaining aged 60 20 years from year-end	27.9 years	29.9 years	30.7 years	31.0 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 31/08/2013	Value at 31/08/2013 £'000	Proportion of total assets at 31/08/2013	Long term rate of return expected at 31/08/2012	Value at 31/08/2012 £'000	Proportion of total assets at 31/08/2012
Equities	7.0%	1,361	35%	8.0%	1,727	51%
Bonds	3.5%	661	17%	2.9%	893	26%
Other	0.5%	173	4%	4.0%	289	9%
Absolute return fund	5.5%	1,271	33%	-	-	-
Secured pensions	4.5%	433	11%	4.0%	469	14%
Total market value of assets		3,899			3,378	
Present value of scheme liabilities		(5,227)			(5,093)	
Deficit in scheme		(1,328)			(1,715)	

The actual return on the Scheme's assets net of expenses over the year to the review date was approximately 9.6% (2012 8.2%). 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 2013

NOTES TO THE ACCOUNTS (continued)

16. PENSIONS (continued)

FRS 17 disclosures as at 31 August 2013

Amounts Recognised in the Balance Sheet at 31 August 2013

	Value at 31 August 2013 £'000	Value at 31 August 2012 £'000
Fair value of assets	3,899	3,378
Present value of funded obligations	(5,227)	(5,093)
 Scheme deficit	 (1,328)	 (1,715)

Amounts disclosed on the balance sheet are made up of:

	Value at 31 August 2013 £'000	Value at 31 August 2012 £'000
Liabilities:		
Present value of funded obligations	(5,227)	(5,093)
 Assets:		
Fair value of assets	3,899	3,378
 Net liability	 (1,328)	 (1,715)

Amounts Recognised in the Statement of Financial Activities

	31 August 2013 £'000	31 August 2012 £'000
Current service cost	105	101
Interest cost	203	272
Expected return on assets	(140)	(160)
Past service cost	-	-
 Total	 168	 213

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the year was

	31 August 2013 £'000	31 August 2012 £'000
Fair value of assets at 1 September 2012	3,378	2,963
Expected return on assets	140	160
Total contributions	357	321
Benefits and expenses paid	(152)	(149)
Actuarial gain	176	83
 Fair value of assets at 31 August 2013	 3,899	 3,378

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

16. PENSIONS (continued)

The change in defined benefit obligation over the year was

	31 August 2013 £'000	31 August 2012 £'000
Defined benefit obligation at 1 September 2012	5,093	4,921
Current service cost	105	101
Contributions by scheme participants	38	36
Past service cost	-	-
Interest cost	203	272
Benefits paid	(152)	(149)
Actuarial (gain)/loss	(60)	(88)
Defined benefit obligation at 31 August 2013	<u>5,227</u>	<u>5,093</u>

The pension charge in the year payable by the school in respect of non-teaching staff was £317,000 (2012 £284,000). 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 £151,000 (2012 £117,000).

The amounts for current and previous periods are as follows

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Defined benefit obligation	(5,227)	(5,093)	(4,921)	(4,938)	(4,377)
Scheme assets	3,899	3,378	2,963	2,709	2,366
Surplus/(deficit)	<u>(1,328)</u>	<u>(1,715)</u>	<u>(1,958)</u>	<u>(2,229)</u>	<u>(2,011)</u>
Experience gains/(losses) on scheme liabilities	-	339	(49)	(103)	(69)
Experience gains/(losses) on scheme assets	176	83	(9)	22	(471)

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 would 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.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

16. PENSIONS (continued)

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

The pension cost charge for the year payable by the school in respect of teaching staff was £640,000 (2012 £607,000).

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

	2013	2012
	£'000	£'000
Net incoming resources	2,030	1,077
Depreciation charge	822	902
Loss on disposal of tangible fixed assets	-	9
Dividend income	(97)	(101)
Interest receivable	(211)	(199)
(Increase)/decrease in stock	(3)	15
(Increase)/decrease in debtors	(114)	43
(Decrease)/increase in creditors	(3,275)	3,086
Pension costs arising from FRS17	(151)	(72)
Increase in refundable deposits	129	103
	<u>(870)</u>	<u>4,863</u>

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

	2013	2012
	£'000	£'000
Opening cash at bank	12,171	7,509
Change in year	<u>(1,250)</u>	<u>4,662</u>
Closing cash at bank	<u>10,921</u>	<u>12,171</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2013

NOTES TO THE ACCOUNTS (continued)

19. RELATED PARTY TRANSACTIONS

The following transactions occurred during the year with related parties

The Mercers' Educational Trust Fund made bursary grants of £25,000 (2012 £30,000) to the school

The school paid rent of £1,000 (2012 £1,000) to St Paul's Schools Foundation during the year

The school has made payments of £Nil to the Mercers' Company (2012 £24,853) for the costs of a staff secondment and hall hire. The school also recharged £Nil (2012 £1,175) to the Mercers' Company for support provided by the school to the Hammersmith Academy Science department