

Company Number 6142007
Registered in England and Wales
Charity Number 1119613

ST PAUL'S GIRLS' SCHOOL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



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ST PAUL'S GIRLS' SCHOOL

GOVERNORS, OFFICERS AND ADVISERS

Governors, Directors and Charity Trustees

The Governors are the charity trustees under charity law and the directors of the charitable company. The Governors serving at the date of this report are as follows:

Mr Mark Aspinall *
Mrs Zeina Bain (appointed 16 September 2015) * § #
Ms Kate Bingham * § #
Mr Nicholas Buxton (appointed 16 September 2016) *
Mr Nicolas Chisholm + #
Mr Tim Haywood (appointed 14 September 2016) * §
Mrs Gillian Low +
Mrs Dervilla Mitchell α
Miss Cally Palmer +
The Hon Timothy Palmer (Chairman) + * # § α
Miss Judith Portrait *
Prof Jane Ridley (appointed 8 June 2016) +
Dr Julia Riley +

+ Members of the Education Committee
* Members of the Finance & Estates Committee
Members of the Nominations Committee
§ Members of the Investment Sub-Committee
α Members of the Client Management Group

Officers

The Clerk to Governors
and Company Secretary

Mrs Nicki Goodfellow

Officers (key management personnel)

High Mistress

Ms Clarissa Farr

Deputy Head – Director of School

Mr Paul Vanni

Deputy Head – Director of Studies

Mr Andrew Ellams

Deputy Head – Director of Senior School

Mr Will le Fleming

Deputy Head – Director of Pastoral Care

Mrs Su Wijeratna

Director of Resources

Ms Katie Kerr

Director of Operations

Ms Barbara Sussex

Registered Office and Advisers

Registered Office

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

**ST PAUL'S GIRLS' SCHOOL
GOVERNORS, OFFICERS AND ADVISERS**

Registered Office and Advisers (continued)

Solicitors	Foot Anstey LLP Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
Bankers	Barclays Corporate Acorn House 36-38 Park Royal Road London NW10 7JA Barclays Wealth 1 Churchill Place London E14 5HP
Auditors	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
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their Annual Report for the year ended 31 August 2016 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and Strategic Report under the 2006 Act, the list of Governors, Officers and Advisers on pages 1-2, together with the audited financial statements for the year.

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The school is a charitable company limited by guarantee (company number 6142007, registered charity 1119613) and is governed by its Articles of Association. The member of the charitable company is the Mercers' Company.

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 ACTIVITIES

Aims

The school's values and ethos are prominently outlined in its 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 an 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. Pastoral care was rated excellent in the ISI inspection report of 2011 and the school remains responsive to the ever increasing challenges faced by young people in today's society, with the pressures of social media, high expectations and a challenging employment market. St Paul's Girls' School aims to instil a love of learning for its own sake, giving its students a firm foundation of lasting values as well as the resilience required to live in the real world. Secular by foundation, the school welcomes students of all faiths and none.

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: Latin and physics are popular, as are Chinese and mathematics. A broad co-curricular programme includes sport, exceptional music and drama as well as over 100 clubs, from Junior Drama Company 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.

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Aims (continued)

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.

Principal Activities of the Year

The school is academically selective and educates girls from 11 to 18. In September 2015, there were 744 students on roll with 222 of these in the Senior School (Sixth Form). Retention in the Senior School remained steady, with few leaving for co-educational alternatives and 18 girls joining Year 12 in September.

A broad curriculum stretches across the arts and sciences, with an especially large languages department, spanning the major European and classical languages, as well as Mandarin. St Paul's offers GCSE and iGCSE in Year 11 with its own School Directed Courses in art, drama and music. With the move to linear A levels, several departments have now decided to switch to Pre-U and the first examinations will be taken in summer 2017.

The co-curricular programme is extensive, with provisions made for girls to pursue a wealth of interests. Well-established exchange programmes in a number of European destinations including Bonn, Barcelona and Marseilles, as well as further afield in Beijing, Buenos Aires, Toyohashi and Sydney provide opportunities to experience the culture and education systems in other countries. A highlight last year was an exciting trip to NASA, where Paulinas met Buzz Aldrin.

Science week in March saw the return of the mobile planetarium and students engaged enthusiastically with the various scientific activities hosted throughout the week. The Friday Lecture series continues to be a highlight for Senior School students, and features distinguished speakers, all leaders in their respective fields. Last year, the school was proud to welcome Jackie Duff, Strategic Project Director for Global Women's Economic Empowerment at Coca-Cola, and Brenda Trenowden, Global Chair of the 30% Club, to St Paul's as part of the series, who both gave lectures focused on the global advancement of women.

A major highlight of the year was the launch of an exciting new campaign, Dads4Daughters. Inspired by the UN's HeForShe initiative, the school seeks to actively engage fathers in initiating cultural change in their daughters' future workplaces. The campaign also engaged with the alumnae community and gained press coverage.

The summer also saw significant progress on the implementation of the Estates Plan with the start of building works for the new sports pavilion and senior school building. These projects will continue throughout 2016/17.

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Principal Activities of the Year (continued)

The Estates Plan, closely monitored by the Client Management Group, is designed to enhance the space available for use by pupils and the general experience during their time at school.

GOVERNANCE AND MANAGEMENT

Governors

The Governors who served throughout the year, except where otherwise stated on page 1, were Mr Mark Aspinall, Mrs Zeina Bain, Ms Kate Bingham, Mr Nicolas Chisholm, Prof Henrietta Harrison, Mrs Gillian Low, Mrs Dervilla Mitchell, Miss Cally Palmer, The Hon Timothy Palmer, Miss Judith Portrait, Prof Jane Ridley and Dr Julia Riley.

Mr Tim Haywood was appointed on 14 September 2016 and Mr Nicholas Buxton was appointed on 16 September 2016.

Mr Daniel Hodson, Ms Alice Hohler and Prof Charlotte Roueche retired on 29 June 2016 and Prof Henrietta Harrison retired on 18 September 2016 and are thanked for their contribution to the school.

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 14 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. Committees, which meet at least three times 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 and Governance Committee:

- reviews the structure, size and composition of the Board
- identifies and nominates candidates for appointment to the Board
- oversees a regular performance evaluation of the Board and all its members, conducted by the Chairman
- initiates the process of recruiting the High Mistress and Director of Resources
- considers all aspects of governance of the school and makes recommendations to the Governing Body

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Organisational Management (continued)

Investment Sub-Committee:

- advises and makes recommendations to the Finance & Estates Committee in respect of all investment asset classes, other than the school's property, and conducts a yearly review of the assets within the Non-Teaching Staff Pension Fund

Client Management Group (Building Project):

- monitors and oversees the redevelopment of the school's buildings in accordance with the outline plan and budget previously approved by the Governors, and reports and makes recommendations to the Governors in relation to the project

The day to day management is delegated to the High Mistress supported by the Senior Management Team and together this group are the key management personnel. 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, the Nominations Committee and Client Management Group meetings.

The school is regulated by DfE and inspected by ISI.

Remuneration policy

Governors approved a formal Remuneration Policy in March 2016. Ensuring that the school has transparent but flexible reward systems which enable the recruitment and retention of truly excellent staff is essential. The school uses market information for benchmarking purposes. Day to day decisions about pay are made by the High Mistress and Director of Resources within the scope of the Remuneration Policy.

An annual pay award for all staff is considered by Governors each spring and awarded from the following September. Many teaching staff also receive an annual increment.

Insurance

The school has Public Liability insurance in place which includes Directors and Officers insurance to cover the cost of compensation to a third party if a claim is made against one of the school's directors (or officers) arising from any negligent act, error or omission, committed in good faith. The indemnity limit is £10,000,000. Professional Indemnity insurance is also included for claims made against the school (rather than directed at an individual) with an indemnity limit of £10,000,000. The annual premium for both insurances was £5,214.

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STRATEGIC REPORT

Primary Objectives

The school reaffirmed its commitment to seven broad strategic principles, covering all areas of its activity which are expressed 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 community locally, nationally and internationally.
7. Working to the highest standards of compliance and regulations, to enhance the reputation of St Paul's as the pre-eminent girls' day school, influencing educational debate and policymaking.

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

The school adopted four current objectives (COs) for 2015-16 which relate to the overarching principles above. All departments were invited to take these into account when planning their work for the year. Taken together, these have formed the school's strategy. Examples of specific actions are as follows.

CO1: Successfully manage the first phase of the building programme while ensuring continuity of education and experience, for example:

- A strategy was put in place to ensure the minimum disruption to lesson scheduling.
- An interim sports strategy developed to ensure continuity during the demolition and re-building of the pavilion.
- A new base for Spanish created in the heart of the Modern Foreign Language department.
- Drama opened a new studio for informal productions and for two public exam performances.
- Architecture Society met with the architects to ask about the building project and architecture as a career.
- Aerial footage on the website acquainted users with the geography and scale of the whole site, making a grasp of the individual building projects easier.

CO2: Encourage deeper reflection and enhance scholarship by providing a sense of space, for example:

- A reading week was introduced for the whole school.
- In Religious Studies, students made independent studies of differing denominations of Buddhism.
- MFL schemes of work were re-cast to include in-depth study of a country's culture.
- Advanced maths preparation has become 'a forum for mathematical exploration for its own sake'.
- Pre-U History will offer greater diversity with the opportunity for specialism in Medieval or Modern History.

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STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES (continued)

- Art History was newly offered to girls in Years 10 and 11, which allows more space for the course to be taught.
- Younger girls visited various art exhibitions in London with Gallery Society.
- The Head of Classics writes: 'After exams, I will read a little Catullus with my Year 10, while also doing some more complex English to Latin exercises than required by any formal exam syllabus – the latter at the eager request of the class'.

CO3: Promote increased independence and personal agency amongst students and staff, for example:

- Science expanded student led societies to include Engineering Club and Café Scientifique.
- The Physical Education department introduced adventure based learning in Year 9 which focusses on leadership and teamwork.
- The new A level Geography syllabus involved an independent investigation.
- Economics introduced a History of Economics independent research essay.
- A Teaching & Learning Group shared lesson design and resources.
- There were several student run drama productions, including in ancient Greek.
- A 'Learning Set' was established to share good teaching practice between colleagues.

CO4: Maximise the benefits of stronger, lasting connections with the world beyond St Paul's

- A Coding and Robotics Club is to be launched in conjunction with Imperial College, London.
- Membership of inter-school cluster groups has provided opportunities for sharing ideas and good practice.
- Students attended Joint Philosophy Society with St Paul's School.
- Girls participated in the National Theatre New Views Playwriting Competition.
- The Head of English swapped schools for a day with the Head of Department at Glendower Prep.
- The Head of History of Art set up a new charity to provide access to the subject in all schools.
- Geography teachers and students attended events at the Royal Geographical Society.
- St Paul's will sponsor a new IntoUniversity Centre in North Islington.

ACHIEVEMENTS AND PERFORMANCE

Review of Achievements and Performance for the Year (including Public Benefit)

St Paul's had a record-breaking year for examination results. At GCSE/IGCSE, 92.9% of entries attained an A* grade and 99.5% achieved an A* or A grade, equalling the school record. This is the fourth consecutive year that the proportion of entries achieving an A* grade at GCSE has exceeded 90%, a threshold that remains unequalled by any other school. Straight A* grades were attained by 65 Paulinas. A level students have had an equally exceptional year as 57.7% of entries attained an A* grade, and 93.8% of entries achieved an A* or A grade and 98.9% a B grade or higher. An astonishing 92 girls achieved straight A* or A grades, with 24 of these leaving with straight A* grades. At AS level, 79.1% of entries attained an A grade and 95.8% an A or B grade, setting a strong foundation for final examinations in the next academic year.

University destinations continue to impress, with 51 girls taking up offers at Oxbridge colleges, 13 girls studying in leading American universities and 11 students studying medicine.

As always, girls excel academically beyond the formal curriculum, for example by winning both the English and Media Centre's Close Reading competition and the Foyle Young Poet of the Year Award whilst also receiving high commendations in the Royal Economics Society essay competition and Trinity College Cambridge's Robson History Prize.

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Review of Achievements and Performance for the Year (including Public Benefit) (continued)

Notable achievements have been made in the co-curricular field. This year's debaters have set the bar high. From being the first girls' team to win the Dulwich Cup to winning the English Speaking Union Mace, which represented St Paul's first national title in the school's history, senior debaters have had much to celebrate.

The lacrosse pitch has seen considerable success this year. St Paul's U15A, U14A, U13A and U12A teams are currently all county champions, the former breaking the seven year winning streak of the school's close rivals. It has been a year of firsts for the senior teams: the U19 second lacrosse team took the title of National Champions, the senior netballers qualified for the National Schools final placing them in the top eight teams in the country, and the senior eight rowers qualified for the National Schools Regatta final for the first time in 14 years. Paulinas competing at national and international level in individual sports continue to make the school proud, not forgetting OP Zoe de Toledo, who coxed her crew to Olympic success in the women's eight in Rio this summer, and made history in the process.

Paulinas continue to flourish in school-led drama and music performances. The biennial school musical, Grease, undoubtedly demonstrated the excellence of both departments and showcased student talent, whilst the audience packed the Great Hall for the ever-popular Christmas Concert. Individual musicians continue to impress, with eight girls in a National Youth Orchestra or Choir, one as co-leader of the NYO.

Journalism has prospered and Paulinas continue to creatively express themselves within the pages of their publications. The student webzine, iPaulina, has been much enhanced, now offering the school's print publications an online presence.

Sharing expertise and resources with local schools

The annual Higher Education Conference invites Year 12 students from local state schools to St Paul's to benefit from seminars led by Oxbridge and Russell Group representatives. Links with Hammersmith Academy remain strong, the Paulina-devised debate training is now well-established.

The school makes its sports facilities available to local schools, clubs and charities either free or for significantly discounted rates to benefit the community. Five primary schools have use of the swimming pool for weekly sessions, as well as the charity Greenhouse and local swimming clubs. The annual Summer School welcomed 53 Year 4 children from nearly 30 primary schools across London for a week of lessons across departments. The inaugural St Paul's Schools' Singing Day provided musical creativity for a number of primary school children, and joins the Year 5 Enrichment Day in the outreach programme.

Student community engagement

St Paul's students have continued to raise money for a myriad of causes and establish new community projects. Students donated 489kg of food to the local foodbank, and, in a similar vein, many student publications have donated their surplus profits to charities. £9,241 was split between this year's student - chosen domestic charity, Young Minds, and the international charity, War Child. Individual Paulinas have taken it upon themselves to organise their own charity concerts, for both Wings of Hope, who educate children in Africa and India, and In Harmony.

Volunteering in primary schools continues to be popular. A new Paulina devised art history scheme joins the established Latin and reading programmes this year, and the annual trip to the Kitzh fostering community in Russia continues to make a positive impact. Overseas volunteering is supported by the travel scholarship programme, which funds charitable and educational trips for older students. For instance, this year a Paulina worked at an animal sanctuary in Peru.

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Bursaries

While remembering that St Paul's Girls' School is highly academically selective and is not for everyone, providing bursary places remains a key goal and the school is working steadily to increase these. During the 2015-16 academic year, 83 girls received means-tested financial support (11% of the school roll), of whom 56 received full fee remission. Strategies to reach bursary candidates have included enrichment days for gifted and talented girls in the primary state sector, regular primary school visits and advertising through the London fee remission consortium.

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. Bursaries are awarded 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. Governors review the policy to ensure that it remains appropriate and continues to support the objective of widening access to the school. 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 2016 was £1,740,000.

The endowment fund's investment portfolio was valued at £8.2 million at the end of the year and funded the equivalent of 13 full places. The school funded the equivalent of 19 full places from its operating income, and donations from generous supporters participating in the syndicates and the revenue-based bursary programme funded the remaining equivalent of 56 full places.

Fundraising

During the year the bursary programme continued to be the fundraising priority. The school also welcomed generous support towards the new building programme and the improvement of resources, including new boats, a weather station, four symphonic pedal timpani, a Classics prize and sponsorship of the Summer School. A total of £1.6 million was received in new donations and pledges thanks to many generous donors.

A committee of volunteers worked with the Development Office to organise a Gala dinner and auction in the House of Commons in November. The Gala launched a campaign for the first phase of the building programme for a new senior school building and sports pavilion on the field together with four new netball courts. Thanks to ticket sales and the live and silent auctions £153,370 was raised on the night. During the year the first tranche of a £200,000 pledge made at the Gala was received. The school welcomed £32,750 in sponsorship and programme advertising which covered all the costs.

The name a stone campaign continued and £94,500 was received thanks to the support of a large number of families and alumnae. The school also welcomed a total of new donations and pledges of £356,475 for the building programme during the year.

The school was delighted to receive support from 49 leavers' families for the 2016 leaving class bursary. This was supplemented by fundraising by the VIII leavers to raise a total of £161,503 to fund 81% of a full means-tested bursary for a girl who joined the school in September 2016. The 1986, 1988 and 1989 alumnae collaborated to raise class gifts for their respective years towards a new 16+ bursary. During the year donations and pledges of £19,787 were received from the three classes. This is an ongoing initiative.

The school also welcomed donations of £208,688 towards the bursary endowment.

Thanks to generous support from parents and alumnae to a May 2015 rowing campaign the school purchased a new Empacher Eight and four single sculls. During the year further donations of £6,000 were received.

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Fundraising (continued)

A brochure about legacy giving was published during the Summer term launching the Paulina Fund to alumnae in response to which several bequest notifications have been received from alumnae and former governors. The Foundation Report 2014-15 was published during the Autumn term.

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. Following the Parents' Guild biennial Christmas Fair in 2014, the school was delighted to receive £32,000 towards the bursary fund.

Members of the Foundation Council kindly hosted two 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.

The school welcomed continuing support from a number of trusts including The Ogden Education Trust, The Rowan 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 Zeina Bain, a managing director of The Carlyle Group and a governor of the school.

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.

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 less formal monthly electronic publication, to keep Old Paulinas informed of alumnae events and other OP updates. The school also promotes the use of social media for alumnae, using LinkedIn to manage a growing members-only group, and using Facebook and Twitter as an outward communication tool to promote alumnae events and engage Old Paulinas. The OPConnect website also serves as a social network for OPs, enabling them to search an online directory to reach out to each other. The mentoring programme allows OPs and students in the VIII to connect with each other, enabling VIII girls to seek university guidance or careers advice from those working in their field of interest. There are now over 170 Old Paulinas signed up as mentors. The website also provides news and events information.

In addition to frequent alumnae communications, the events calendar for 2015-16 engaged OPs of all ages and professions, as outlined below:

- Year group reunions remain popular with events usually bringing at least 80 alumnae back to the school. 10-year reunions for those OPs 10 years out of St Paul's continue to be well attended.
- Student alumnae engaged with current students for university talks in London, Cambridge and Oxford. The programme now includes a session for universities outside of Oxbridge and London (Dublin, Warwick, Edinburgh, etc.)
- A series of networking lunches brought together alumnae working in the City providing informal networking opportunities.
- Lunches for classes of the 1960s, 1950s and 1940s brought large numbers of older alumnae back to the school, leading to some legacy giving. A lunch for the classes of the 1970s has been planned for March 2017.
- A series of cultural events took place including a Private Tour of Burton Agnes Hall in Yorkshire, and a Blue Badge City of London Tour.
- New careers fair events were launched in the last academic year, bringing together Old Paulinas and senior students. Different industries were represented by alumnae on each occasion, enabling senior students to speak to OPs to seek careers advice in an informal setting. The next two careers fair events have already been planned for the coming academic year.

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FINANCIAL REVIEW

Results for the Year

The financial results of the company are presented on page 17 of this report. The school generated total net incoming funds from operations of £2,594,000 of which £1,637,000 is unrestricted (before transfers between funds and investment losses). The unrestricted surplus (before transfers and investment losses) represents 9.5% of total unrestricted income compared with 9.7% in the previous year.

The total income for the year ended 31 August 2016 was £19,592,000 (2015: £18,142,000) of which £15,785,000 (2015: £14,937,000) was fee income. The total expenditure was £16,998,000 (2015: £16,135,000), the most significant expense being staff costs which represent 64% of the total expenditure. Capital expenditure in the year was £3,137,000 (2015: £1,781,000).

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 Level and Policy

The total reserves of the school at 31 August 2016 were £32,744,000 of which unrestricted funds were £22,237,000, the pension scheme reserve deficit was £1,928,000, restricted funds were £3,712,000 and endowed funds were £8,723,000. Free reserves at 31 August 2016 were £6,949,000 (unrestricted funds less intangible fixed assets, tangible fixed assets and the pension scheme liability). Of this £5,500,000 has been designated to go towards the school's major building redevelopment. Capital commitments for the building redevelopment were £9,510,000 at 31 August 2016. A £4.5 million grant for the building redevelopment was received from the Mercers' Company in November 2016.

The Governors consider that holding unrestricted cash balances of £4.5 million during the building programme is an appropriate cash reserves policy. It is proposed that the cash reserves held at 31 August 2016 in excess of this policy will go towards funding future capital projects, including investment in the school's estate to meet its future educational needs.

The defined benefit pension scheme for the non-teaching staff is in deficit amounting to £1,928,000 (2015: £1,344,000) which impacts on the unrestricted reserves of the school. The school has made additional contributions totalling £260,000 (2015: £230,000) in the year.

Investment Policy, Objectives and Performance

Rothschild has 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 Rothschild investment portfolio performed satisfactorily over the year to 31 August 2016, generating a total return of 5% ending at a valuation of £10.4 million, which includes both endowed and restricted funds, with a yield of 1% over the period. Since inception Rothschild has outperformed the target of CPI plus 4%.

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.

ST PAUL'S GIRLS' SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

FUTURE PLANS

The school's strategic aims remain in place and efforts are directed to continuing to provide an exceptional academic education for all. The expanding bursary programme remains critical to these aims.

As a school of over 740 students, the need to create order within the built environment 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 Governors and High Mistress are developing 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 sufficient breathing space and fresh air within a tight city site. Taking forward building designs to the practical stage will therefore be a key objective for the coming year. The school will also continue to develop the resilience of students to manage the challenges of the modern world alongside developing their love of learning and the intrinsic value of scholarly endeavours.

With all this in mind, the school will continue to focus on the current objectives in 2016-17:

- Successfully managing the first phase of the building programme while ensuring continuity of education and experience.
- Encouraging deeper reflection and enhancing scholarship by providing a sense of space.
- Promoting increased independence and personal agency among students and staff.
- Maximising the benefits of stronger, lasting connections with the world beyond St Paul's Girls' School.

RISK MANAGEMENT

Governors have ultimate responsibility for identifying the major risks that the school is exposed to and for ensuring that the senior management of the school has systems and processes in place to manage those risks. Identified risks are recorded in the school's risk register and risks are assessed by calculating impact and likelihood scores giving a total net score after mitigating activities. Risk management principles are agreed based on the category of the risk (low, medium or high). The school's risk register is reviewed each term by the Finance & Estates Committee and reported formally to the Board each autumn. The potential risks that are identified on the risk register, with mitigating actions, include:

- a potential lack of appropriate premises to realise the educational aims and evolving needs of the school
- a threat to stability from unforeseen crisis events and insufficient planning to manage the outcome of such events
- a potential failure to attract sufficient bursary candidates to achieve the school's objective of widening access through 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 enlisted the services of professional consultants in developing its long term estates strategy which has informed proposals for construction phases which commenced in 2016. A Client Management Group comprising Governors, senior staff and consultants is responsible for critically evaluating proposals and overseeing the build phase.
- The school reviews its crisis management plan annually and undertakes review exercises to ensure that procedures are in place and remain up to date to address potential crisis situations. The plan includes crisis communication plans and a stay-put procedure.
- An expanding outreach programme seeks to attract potential bursary applicants.

The Governors are satisfied that there are systems in place to mitigate the major risks identified on the school's risk register to an acceptable level. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**ST PAUL'S GIRLS' SCHOOL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, incorporating a strategic report and the directors' report and 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.

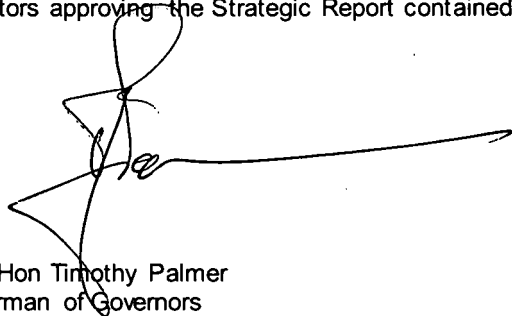
The following statements have been affirmed by each of the Trustees of the charitable company:

- 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 Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

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

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors of St Paul's Girls' School on 8 December 2016, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



The Hon Timothy Palmer
Chairman of Governors

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 2016 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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, incorporating a strategic report and directors' 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

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

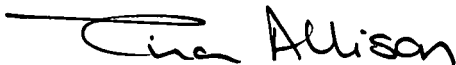
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report incorporating a Strategic Report and Directors' 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 client



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

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

Date: 15 December 2016

ST PAUL'S GIRLS' SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
INCOME FROM:						
Charitable activities						
School fees	2	15,785	-	-	15,785	14,937
Other educational income		1,267	-	-	1,267	1,294
Trading activities						
Non-ancillary trading income		41	-	-	41	50
Investments						
Investment income	3	96	96	-	192	164
Voluntary sources						
Grants and donations		12	1,891	404	2,307	1,697
Total income		17,201	1,987	404	19,592	18,142
EXPENDITURE ON:						
Raising funds	4	306	101	-	407	359
Charitable activities						
Education	4	15,258	1,333	-	16,591	15,776
Total expenditure	4 & 5	15,564	1,434	-	16,998	16,135
Net incoming funds from operations before transfers and investment gains/(losses)						
		1,637	553	404	2,594	2,007
Gains/(losses) on investments	8	(3)	118	496	611	806
Transfers between funds	16	35	67	(102)	-	-
Net income and capital inflow		1,669	738	798	3,205	2,813
Pension scheme actuarial loss	18	(713)	-	-	(713)	(36)
Losses on foreign exchange movements	8	-	(18)	(64)	(82)	-
Net movement in funds		956	720	734	2,410	2,777
Fund balances at 1 September 2015		19,353	2,992	7,989	30,334	27,557
Fund balances at 31 August 2016	16	20,309	3,712	8,723	32,744	30,334

The notes on pages 21 to 37 form part of these accounts

ST PAUL'S GIRLS' SCHOOL
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Total 2016 £'000	<i>Total 2015 £'000</i>
Turnover		17,052	16,231
Other income		<u>2,238</u>	<u>2,307</u>
Total income	13	19,290	18,538
Expenditure		<u>16,998</u>	<u>16,135</u>
Operating profit		2,292	2,403
Realised and unrealised investments gains		<u>115</u>	<u>177</u>
Net income		<u>2,407</u>	<u>2,580</u>

The notes on pages 21 to 37 form part of these accounts.

ST PAUL'S GIRLS' SCHOOL
BALANCE SHEET
AS AT 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible fixed assets	6	13,323	11,079
Intangible fixed assets	7	37	-
Investments	8	10,294	9,425
		<u>23,654</u>	<u>20,504</u>
CURRENT ASSETS			
Stocks		116	119
Debtors	9	589	590
Cash and deposits		15,042	14,519
		<u>15,747</u>	<u>15,228</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	(2,638)	(2,091)
NET CURRENT ASSETS		<u>13,109</u>	<u>13,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,763</u>	<u>33,641</u>
LONG-TERM LIABILITIES			
Creditors: amounts falling due after more than one year	11	(2,091)	(1,963)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>34,672</u>	<u>31,678</u>
Pension scheme liability	18	(1,928)	(1,344)
NET ASSETS INCLUDING PENSION LIABILITY		<u>32,744</u>	<u>30,334</u>
REPRESENTED BY:			
ENDOWMENT FUNDS	15 & 16	8,723	7,989
RESTRICTED FUNDS	15 & 16	3,712	2,992
UNRESTRICTED FUNDS			
Designated funds		5,500	7,000
General funds		16,737	13,697
		<u>22,237</u>	<u>20,697</u>
TOTAL FUNDS BEFORE PENSION LIABILITY	15 & 16	<u>34,672</u>	<u>31,678</u>
Pension scheme funding reserve	18	(1,928)	(1,344)
TOTAL FUNDS INCLUDING DEFICIT ON PENSION SCHEME RESERVE		<u>32,744</u>	<u>30,334</u>

Approved by the Board of Governors of St Paul's Girls' School on 8 December 2016 and authorised for issue and signed on its behalf by:


The Hon T Palmer
Chairman of Governors


Mrs Z Bain

The notes on pages 21 to 37 form part of these accounts.

ST PAUL'S GIRLS' SCHOOL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000
NET CASH FLOWS FROM OPERATIONS			
Net cash provided by operating activities	19	3,467	2,964
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for tangible fixed assets	(3,100)		(1,781)
Payments for intangible fixed assets	(37)		-
Additions to investments portfolio	(4,529)		(5,406)
Withdrawals from investments portfolio	4,189		4,742
Investment income and bank interest received	200		150
Investment management charges	(71)		(71)
Net cash used in investing activities		<u>(3,348)</u>	<u>(2,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New endowment		<u>404</u>	<u>81</u>
Net cash provided by financing activities		<u>404</u>	<u>81</u>
Change in cash and cash equivalents in the reporting period		<u>523</u>	<u>679</u>
Cash and cash equivalents at 1 September 2015		<u>14,519</u>	<u>13,840</u>
Cash and cash equivalents at 31 August 2016		<u>15,042</u>	<u>14,519</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS			
		2016 £'000	2015 £'000
Cash at bank		4,993	3,512
Deposits		<u>10,049</u>	<u>11,007</u>
		<u>15,042</u>	<u>14,519</u>

The notes on pages 21 to 37 form part of these accounts.

ST PAUL'S GIRLS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2015. The date of transition to FRS 102 was 1 September 2014 and in preparing the financial statements, the Trustees have considered whether the accounting policies required by the standard require the restatement of comparative information. There have been no numerical changes as a result of the transition to FRS 102, the reserves position is unadjusted from the previously reported position.

The functional currency of the school is considered to be GBP because that is the currency of the primary economic environment in which the school operates.

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 a going concern basis.

The school is a Public Benefit Entity registered as a charity in England and Wales (charity number: 1119613) and a company limited by guarantee (company number: 6142007). Its registered office is St Paul's Girls' School, Brook Green, London W6 7BS.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 18.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the school's financial statements.

1.1 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.

1.2 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.

ST PAUL'S GIRLS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1.3 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. Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

1.4 Expenditure

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

1.5 Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

1.6 Pension schemes

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

The school also contributes to the St Paul's Schools' Non-Teaching Staff Pension Fund. The school has fully adopted the requirements of Financial Reporting Standard 102. 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.

1.7 Fixed Assets

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 and amortisation

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

Charitable properties	20 – 50 years
IT equipment	3 – 4 years
Furniture, fittings and equipment	4 – 10 years

Intangible assets comprise software costs which are amortised on a straight line basis over 4 years.

Assets held under construction are not depreciated until they are brought into use.

ST PAUL'S GIRLS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1.8 Investments

Investments are stated at market value.

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.

1.9 Stock

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

1.10 Fund Accounting

The school has three types of funds:

- 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.

1.11 Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with stock and debtors, excluding prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand comprises cash held in instant access bank accounts and used as working capital and short term deposit accounts. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

ST PAUL'S GIRLS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. SCHOOL FEES

	2016 £'000	2015 £'000
The school's fee income comprised:		
Gross fees	16,360	15,481
Less: total bursaries, scholarships and allowances	<u>(1,868)</u>	<u>(1,781)</u>
	14,492	13,700
Add: bursaries and other awards paid for by restricted funds	<u>1,293</u>	<u>1,237</u>
	<u>15,785</u>	<u>14,937</u>

3. INVESTMENT INCOME

	2016 £'000	2015 £'000
Dividends	91	68
Bank and gilts interest	<u>101</u>	<u>96</u>
	<u>192</u>	<u>164</u>

4. ANALYSIS OF EXPENDITURE

	Staff costs £'000	Other costs £'000	Depreciation £'000	Total 2016 £'000	Total 2015 £'000
Raising funds:					
Financing	-	71	-	71	64
Fundraising	209	56	-	265	224
Investment management	<u>-</u>	<u>71</u>	<u>-</u>	<u>71</u>	<u>71</u>
	209	198	-	407	359
Charitable activities:					
Education	8,361	1,646	109	10,116	9,474
Welfare	566	347	-	913	874
Premises	633	1,056	695	2,384	2,281
Support costs and governance	1,078	549	-	1,627	1,644
Grants, awards and prizes	-	1,301	-	1,301	1,239
Ancillary trading costs	<u>26</u>	<u>224</u>	<u>-</u>	<u>250</u>	<u>264</u>
	10,664	5,123	804	16,591	15,776
Total	<u>10,873</u>	<u>5,321</u>	<u>804</u>	<u>16,998</u>	<u>16,135</u>

Support costs include governance costs of £159,000 (2015: £118,000).

Governance expenditure includes:

Auditor's remuneration:		
For audit services	30	31
For non-audit services	<u>7</u>	<u>7</u>

ST PAUL'S GIRLS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. STAFF COSTS AND GOVERNOR COSTS

	2016	2015
	£'000	£'000
Wages and salaries	8,432	8,086
Social security costs	873	787
Pension contributions	1,312	1,190
Peripatetic costs	207	186
	10,824	10,249
Medical insurance	49	49
	10,873	10,298

The average number of employees in the year was 239 (2015: 224) of which 117 (2015: 109) were teaching staff.

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

	2016	2015
£ 60,000 - £69,999	25	23
£ 70,000 - £79,999	6	5
£ 80,000 - £89,999	3	4
£ 90,000 - £99,999	3	2
£190,000 - £199,999	-	1
£230,000 - £239,999	1	-
	£893,000	£940,000

During the year there were redundancy or termination payments made which amounted to £10,000 (2015: £98,000). There was £nil (2015: £20,000) outstanding at the year end in respect of these payments.

The Governors have not received any emoluments during the year (2015: £nil). Six Governors (2015: four) incurred travel and subsistence expenses of £3,677 (2015: £4,374) which were reimbursed or paid for directly by the school. Three Governors (2015: two) received leaving gifts amounting to £802 (2015: £447).

During the year £27,401 (2015: £6,445) was collectively donated by Governors.

ST PAUL'S GIRLS' SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. TANGIBLE FIXED ASSETS

	Charitable Properties £'000	Assets under Construction £'000	Furniture Fittings and Equipment £'000	IT Equipment £'000	Total £'000
Cost					
At 1 September 2015	11,983	1,623	2,561	937	17,104
Additions	694	1,942	256	208	3,100
Transfers	336	(336)	-	-	-
Disposals	(67)	-	(39)	(331)	(437)
At 31 August 2016	<u>12,946</u>	<u>3,229</u>	<u>2,778</u>	<u>814</u>	<u>19,767</u>
Depreciation					
At 1 September 2015	3,266	-	2,060	699	6,025
Charge for the year	401	-	241	162	804
Disposals	(16)	-	(39)	(330)	(385)
At 31 August 2016	<u>3,651</u>	<u>-</u>	<u>2,262</u>	<u>531</u>	<u>6,444</u>
Net book value					
At 31 August 2016	<u>9,295</u>	<u>3,229</u>	<u>516</u>	<u>283</u>	<u>13,323</u>
At 31 August 2015	<u>8,717</u>	<u>1,623</u>	<u>501</u>	<u>238</u>	<u>11,079</u>

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7. INTANGIBLE FIXED ASSETS

	Software £'000
Cost	
At 1 September 2015	-
Additions	<u>37</u>
At 31 August 2016	<u>37</u>
Amortisation	
At 1 September 2015	-
Charge for the year	<u>-</u>
At 31 August 2016	<u>-</u>
Net book value	
At 31 August 2016	<u>37</u>
At 31 August 2015	<u>-</u>

8. INVESTMENTS

	Listed investments	
	2016 £'000	2015 £'000
Valuation at 1 September 2015	9,425	7,955
Additions	4,529	5,406
Disposal proceeds	(4,189)	(4,742)
Gains on investments	611	806
Losses on foreign exchange movements	<u>(82)</u>	<u>-</u>
At 31 August 2016	<u>10,294</u>	<u>9,425</u>
Historical cost of investments	<u>8,321</u>	<u>7,825</u>

The breakdown of listed investments is as follows:

	2016 £'000	2015 £'000
UK equities	3,580	1,944
Overseas equities	4,039	4,614
Fixed interest - UK	1,823	1,781
Alternative investments - UK	530	774
Alternative investments - overseas	<u>322</u>	<u>312</u>
At 31 August 2016	<u>10,294</u>	<u>9,425</u>

The total amount of UK investments is £5,933,000 (2015: £4,499,000) and the total amount of overseas investments is £4,361,000 (2015: £4,926,000).

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9. DEBTORS

	2016 £'000	2015 £'000
Fees debtors	70	60
Loans to staff	30	35
Sundry debtors	252	253
Prepayments and accrued income	237	242
	<u>589</u>	<u>590</u>

The loans to staff mainly represent housing loans to teaching employees of the school. The loans are repayable over periods of one to five years and are interest-free while employees remain at the school.

10. CREDITORS: amounts due within one year

	2016 £'000	2015 £'000
Trade creditors	628	484
Social security and other taxation	270	225
Fees received in advance	672	431
Refundable deposits (note 12)	331	242
Advanced fees scheme (note 12)	109	152
Other creditors and accruals	628	557
	<u>2,638</u>	<u>2,091</u>

11. CREDITORS: amounts due after more than one year

	2016 £'000	2015 £'000
Fees received in advance	33	-
Refundable deposits (note 12)	1,795	1,771
Advanced fees scheme (note 12)	240	187
Other creditors and accruals	23	5
	<u>2,091</u>	<u>1,963</u>

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12. REFUNDABLE DEPOSITS AND ADVANCED FEES SCHEME

Refundable Deposits

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

Advanced Fees Scheme

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

	Refundable deposits		Advanced fees scheme	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Within one year	331	242	109	152
After more than one year:				
Within one to two years	251	307	91	82
Within two to five years	873	820	122	105
After five years	671	644	27	-
	2,126	2,013	349	339

Advanced fees represent 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:

	2016	2015
	£'000	£'000
At 1 September 2015	339	508
New contracts	170	-
Amounts accrued to contracts	6	6
Amounts utilised in payment of fees	(166)	(175)
At 31 August 2016	349	339

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13. RECONCILIATION OF INCOME PER INCOME AND EXPENDITURE ACCOUNT

	2016 £'000	2015 £'000
Fees	15,785	14,937
Other educational income	<u>1,267</u>	<u>1,294</u>
Turnover	17,052	16,231
Other income	<u>2,136</u>	<u>1,830</u>
Total income per Statement of Financial Activities (unrestricted and restricted funds)	19,188	18,061
Transfers between funds	<u>102</u>	<u>477</u>
Total income per Income and Expenditure account	<u>19,290</u>	<u>18,538</u>

14. FINANCIAL INSTRUMENTS

	2016 £'000	2015 £'000
Financial assets measured at amortised cost (a)	15,617	15,071
Financial assets measured at fair value (b)	10,294	9,425
Financial liabilities measured at amortised cost (c)	(4,459)	(3,829)

(a) Financial assets include cash, stock, trade and fee debtors, sundry debtors and accrued income.

(b) Financial assets measured at fair value include assets held as investments

(c) Financial liabilities include refundable deposits, fees in advance, trade creditors, accruals, pension contributions and other creditors.

Income received in the year from financial assets measured at amortised cost totalled £92,000 (2015: £79,000). During the year total gains in relation to financial assets held at fair value totalled £611,000 (2015: £806,000) and income received totalled £100,000 (2015: £85,000).

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15. ANALYSIS OF NET ASSETS

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

	Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Long Term Liabilities and Pension Deficit £'000	Total £'000
Endowment funds	-	7,743	980	-	8,723
Restricted funds	-	2,203	1,509	-	3,712
Unrestricted funds	13,360	348	10,620	(4,019)	20,309
	13,360	10,294	13,109	(4,019)	32,744

16. FUNDS

	<i>At 1 September 2015 £'000</i>	Incoming Resources £'000	Expenditure £'000	Transfers and Other Gains and Losses £'000	At 31 August 2016 £'000
Endowed funds					
Bursary funds	7,982	404	-	330	8,716
Prize funds	7	-	-	-	7
	7,989	404	-	330	8,723
Restricted funds					
Foundation bursary funds	2,708	1,446	(1,368)	199	2,985
Buildings	72	436	(1)	-	507
Prize funds	79	3	(5)	3	80
Sundry restricted funds	133	102	(60)	(35)	140
	2,992	1,987	(1,434)	167	3,712
Unrestricted funds					
Designated funds	7,000	-	-	(1,500)	5,500
General reserves	12,353	17,201	(15,564)	819	14,809
	19,353	17,201	(15,564)	(681)	20,309

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16. FUNDS (continued)

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 £35,000 of donations for 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.

A transfer of £271,000 between restricted and endowed funds has been made to reflect the value of endowed bursaries funded from capital gains. £169,000 has been transferred from restricted to endowed funds as requested by the donor.

Designated funds

The buildings fund was set up by the Trustees during the period to 31 August 2015 to set aside an amount towards the school's building redevelopment.

£2,804,000 of the designated funds has been spent in the year. A transfer of £1,304,000 from the unrestricted general reserve to designated fund was made at 31 August 2016.

17. CONTRACTS AND COMMITMENTS

At 31 August 2016 there were authorised capital commitments of £9,510,000 (2014: £2,145,000), all of which relates to the building redevelopment project.

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18. PENSION SCHEMES

Defined benefit schemes

Teachers' Pension Scheme

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £903,000 (2015: £727,000) and at the year-end £127,000 (2015: £108,000) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Non-Teaching Staff Pension Fund

St Paul's Girls' School's Pension Scheme for non-teaching staff operates a defined benefit scheme in the UK which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service.

Since 1 November 2006 the scheme has been closed to new members and closed to future accrual since 1 January 2016.

A full actuarial valuation of the scheme was carried out as at 31 August 2014 and has been updated to 31 August 2016 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

a) Principal actuarial assumptions at the balance sheet date

	2016	2015
Discount rate	2.00%	3.70%
Inflation assumption (RPI)	2.80%	3.05%
Inflation assumption (CPI)	1.80%	2.05%
Rate of increase in salaries	3.20%	3.45%
5% LPI pension increases	1.80%	2.05%
2.5% LPI pension increases	1.65%	1.85%

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18. PENSION SCHEMES (continued)

	2016	2015
Assumed life expectancy in years at age 65:		
Retiring today - Males	26.6	26.5
Retiring today - Females	28.9	28.8
Retiring in 20 years' time - Males	28.1	27.9
Retiring in 20 years' time - Females	<u>30.5</u>	<u>30.3</u>
b) The amounts recognised in the balance sheet are as follows		
	2016	2015
	£'000	£'000
Present value of funded obligations	(7,496)	(5,978)
Fair value of scheme assets	<u>5,568</u>	<u>4,634</u>
Net liability	<u>(1,928)</u>	<u>(1,344)</u>
c) Changes in the present value of the defined benefit obligation		
	2016	2015
	£'000	£'000
Opening defined benefit obligation	5,978	5,742
Service cost	39	123
Contributions by scheme participants	11	36
Interest cost	218	216
Actuarial losses	1,445	26
Benefits paid (excluding expenses)	<u>(195)</u>	<u>(165)</u>
Closing defined benefit obligation	<u>7,496</u>	<u>5,978</u>
d) Changes in the fair value of the scheme assets		
	2016	2015
	£'000	£'000
Opening fair value of scheme assets	4,634	4,360
Interest income	172	168
Expected return on scheme assets	732	(10)
Contributions by scheme participants	11	36
Benefits paid	(195)	(165)
Contributions by employer	286	313
Expenses paid	<u>(72)</u>	<u>(68)</u>
Closing fair value of scheme assets	<u>5,568</u>	<u>4,634</u>

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18. PENSION SCHEMES (continued)

e) The amounts included within the Statement of Financial Activities

	2016	2015
	£'000	£'000
Service costs	39	123
Service cost – administrative costs	72	68
Net interest on the net defined benefit liability	45	48
	<u>156</u>	<u>239</u>
Total charged to the Statement of Financial Activities	156	239
Net actuarial loss recognised in the year	1,445	26
Return on assets, excluding interest income	<u>(732)</u>	<u>10</u>

The school expects to contribute £275,000 to the scheme in the year to 31 August 2017.

f) The major categories of scheme assets are:

	Value at	Value at
	31/08/2016	31/08/2015
	£'000	£'000
Absolute return fund	1,833	1,598
Government bonds	1,203	912
Equities	2,286	1,716
Secured pensions	225	383
Cash and other assets	21	25
	<u>5,568</u>	<u>4,634</u>
The actual return on the scheme assets is:	£877,000	£158,000

The pension charge in the year payable by the school in respect of non-teaching staff was £286,000 (2015: £313,000). 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 £302,000 (2015: £276,000).

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19. RECONCILIATION OF NET INCOMING FUNDS TO NET CASH INFLOW FROM OPERATIONS

	2016 £'000	2015 £'000
Net incoming funds	2,594	2,007
Non-operating cash flows eliminated:		
- Investment income	(192)	(164)
- Endowment donations	(404)	(81)
- Investment management charges	71	71
Defined benefit pension scheme adjustments	(129)	(74)
Depreciation charge	804	755
Loss on disposal of tangible fixed assets	52	-
Decrease/(increase) in stock	3	(3)
Increase in debtors	(7)	(6)
Increase/(decrease) in advanced fee scheme creditors	10	(169)
Increase in refundable deposits	113	148
Increase in creditors (excluding advanced fee scheme and deposits)	552	480
	<u>3,467</u>	<u>2,964</u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2016, the school had annual commitments under non-cancellable operating leases as follows:

	2016 £'000	2015 £'000
Within one year	<u>30</u>	<u>30</u>

21. RELATED PARTY TRANSACTIONS

The following transactions occurred during the year with related parties:

The Mercers' Educational Trust Fund made bursary grants of £50,000 (2015: £30,000) to the school.

The school paid rent of £1,000 (2015: £1,000) to and received £nil (2015: £56,000) from St Paul's Schools Foundation during the year.

During the year the school paid £499 (2015: £nil) to the Mercers' Company towards an alumnae event.

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22. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2015
	£'000	£'000	£'000	£'000
INCOME FROM:				
Charitable activities				
School fees	14,937	-	-	14,937
Other educational income	1,294	-	-	1,294
Trading activities				
Non-ancillary trading income	50	-	-	50
Investments				
Investment income	90	74	-	164
Voluntary sources				
Grants and donations	19	1,597	81	1,697
Total income	<u>16,390</u>	<u>1,671</u>	<u>81</u>	<u>18,142</u>
EXPENDITURE ON:				
Raising funds	287	72	-	359
Charitable activities				
Education	14,512	1,264	-	15,776
Total expenditure	<u>14,799</u>	<u>1,336</u>	<u>-</u>	<u>16,135</u>
Net incoming funds from operations before transfers and investment gains/(losses)	1,591	335	81	2,007
Gains/(losses) on investments	(9)	186	629	806
Transfers between funds	61	416	(477)	-
Net income and capital inflow	1,643	937	233	2,813
Pension scheme actuarial loss	(36)	-	-	(36)
Net movement in funds	<u>1,607</u>	<u>937</u>	<u>233</u>	<u>2,777</u>
Fund balances at 1 September 2014	<u>17,746</u>	<u>2,055</u>	<u>7,756</u>	<u>27,557</u>
Fund balances at 31 August 2015	<u>19,353</u>	<u>2,992</u>	<u>7,989</u>	<u>30,334</u>