

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS
YEAR ENDED 31 AUGUST 2014

Company Registration No. 6142007
Charity Registration No. 1119613

THURSDAY



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ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

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:

Dame Helen Alexander #
Mr Mark Aspinall *
Ms Kate Bingham * §
Mr Nicolas Chisholm + #
Mrs Pauline Davies +
Prof Henrietta Harrison (appointed 13 November 2014) +
Mr Daniel Hodson * §
Ms Alice Hohler * # α
Mrs Dervilla Mitchell (appointed 25 September 2013) α
Miss Cally Palmer (appointed 24 September 2013) +
The Hon Timothy Palmer (Chairman) + * # § α
Miss Judith Portrait *
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

α Members of the Client Management Group

Officers

The Clerk to Governors and Company Secretary	Mrs Nicki Goodfellow
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High Mistress	Ms Clarissa Farr
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Deputy Head – Director of School	Mr Paul Vanni
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Business Director	Mr Arnold Flanagan
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Registered Office and Advisers

Registered Office	St Paul's Girls' School Brook Green London W6 7BS
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Solicitors	Foot Anstey LLP Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
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	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
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ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

GOVERNORS, OFFICERS AND ADVISERS (continued)

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 2014

TRUSTEES' REPORT

The Governors present their Annual Report for the year ended 31 August 2014 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, 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 Memorandum and 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 alive 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. 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.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

AIMS AND ACTIVITIES (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 age 11 to 18. In September 2013 there were 747 students on roll with 212 of these in the senior school. Applications to join the school for this age group maintained last year's high level 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 remained steady and 14 girls joined the school in September 2014.

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, Music and Drama. 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. 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.

GOVERNANCE AND MANAGEMENT

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 Daniel Hodson, Ms Alice Hohler, Mrs Dervilla Mitchell, Miss Cally Palmer, The Hon Timothy Palmer, Miss Judith Portrait, Dr Julia Riley and Prof Charlotte Roueche.

Prof Henrietta Harrison was appointed on 13 November 2014.

Mr Michael de Giorgio resigned on 8 January 2014. Prof Dame Jessica Rawson resigned on 15 May 2014.

The Governors meet at least once in each school term.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

GOVERNANCE AND MANAGEMENT (continued)

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 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 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
- oversees a regular performance evaluation of the Board and all its members, conducted by the Chairman
- initiates the process of searching for suitable persons to hold the office of High Mistress and Business Director

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

- monitors and oversees the redevelopment of the school's buildings (project) 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. 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.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

STRATEGIC REPORT

Primary Objectives

The school reaffirmed its commitment to seven broad strategic aims, 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 St Paul's Girls' School community locally, nationally and internationally
- 7 To enhance the reputation of St Paul's Girls' School as the pre-eminent girls' day school, influencing educational debate and policymaking

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES

Activities relating to the strategies above are carried forward by senior staff and set out in the iterative action plan document for the year. Over the year 2013-14 these have included

Academic education and management

- Design and implement a system for data capture and academic tracking
- Contribute to curriculum reform at GCSE and A Level
- Plan for a full curriculum review in 2014-15

Pastoral, welfare and co-curricular

- Produce a policy on health and wellbeing
- Increase the value and impact of school council (student voice)

Senior School and higher education

- Foster student resilience
- Retain and recruit quality 16+ applicants
- Contribute to the vision and design of new Senior School facilities

Admissions

- Review 16+ assessment for new entrants
- Review scholarships especially for new entrants and as a recruitment tool

Human Resources and staffing

- Strengthen performance management capability
- Review and harmonise terms and conditions of employment
- Introduce additional staff equality monitoring

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

STRATEGIES TO ACHIEVE THE PRIMARY OBJECTIVES (continued)

- Review non-teaching staff pension provision in the context of auto-enrolment legislation

Estate, premises and facilities including IT

- Progress estate strategy to the design stage
- Examine estate security

Community relationships, outreach, volunteering and charities

- Increase proportion of bursary candidates with a long term goal of 20%
- Run a week-long summer school in July 2014
- Encourage and record the girls' independent volunteering activities
- Develop links to support teaching and learning at Hammersmith Academy

Fundraising and alumnae relations

- Appeal for funds for organ, academic prizes and Colet Fellows (110 appeal)
- Begin legacy programme and cultivate next level donors for scholarship fund
- Launch mentoring scheme for OPs/parents/Paulinas (OPConnect)
- Build on popular alumnae events and increase reach of communications
- Launch new alumnae website

Communications

- Launch and further enhance the new website
- Cultivate opportunities to influence public debate and policy
- Consult with parents, staff and girls through online survey to inform policy

School leadership and management (facilitating and validating all objectives)

- Establish new governor/executive committee to take forward estate plan (Client Management Group)
- Establish Senior Management Consultative Committee
- Set up and task Scholarship and Pastoral discussion groups/committees

ACHIEVEMENTS AND PERFORMANCE

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

The principal activities for the year outlined in the Directors' Report demonstrate the school's continual search for improvement and challenge. In keeping with the school's tradition of self-evaluation and thought, in 2013-14 two key themes were tackled

- The protection and enhancement of scholarship, or learning for its own sake
- Creating the conditions for good mental health, when as a society we are seeing increasing instances of stress and depression, especially among young people

There have been two working parties addressing these issues as a result of which a number of new measures have been put in place

In public examinations, 2014 again produced the best GCSE results in the history of the school. 94.4% of entries achieved an A* breaking last year's record 91.2%, and 99.4% of entries were at either A* or A grade. For the third year running there were no results lower than a B grade. An amazing 71 girls out of a total year group of 104 gained A* grades in all of their GCSEs.

At A level, there was a rise in the proportion of entries which attained A* to 56.3% compared to 42.0% last year and 49.1% in 2012. 91.5% of all entries achieved an A* or A (92.3% in 2013, 91.7% in 2012). 23 girls attained A* in all of their A levels, equalling the previous record. 52 girls (50% of the year) have attained the grades they required to take up their Oxbridge offers, the highest figure since 2009.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

At AS level, 84.7% of entries gained an A, a little down on last year. 95.4% of entries achieved an A or B at AS level, again marginally down on 96.5% last year.

In the co-curricular arena, a production of *Les Misérables* which attracted standing ovations and performed jointly with the boys of St Paul's School was an unforgettable high point in the school's drama history. The year ended with a revival of the Shakespeare festival and open air production of *Much Ado About Nothing*. Music has also had a very successful year with a major concert at St John's Smith Square featuring Elgar's *Enigma Variations*. The establishment of the Colet Choral Society was an initiative of the Director of Music and has resulted in many local people and parents coming to sing regularly at the school on Thursday evenings.

The school is proud to have five girls representing their sport at national level: two at swimming, one at karate, one at cross country and one at netball. In the National Schools 2nd team division tournament, an U15 team came 2nd and the senior 2nd team came 7th in the equivalent division. St Paul's Girls' School holds Middlesex county titles in lacrosse at U12 and U13 and in netball at U12 and U14 level. The inter-girls track and field athletics team reached the English Schools Athletics Association National Schools Finals in July, putting them among the top 12 schools in the country.

The school's 110th Anniversary was celebrated through a number of events, including the revival of the Shakespeare Festival. The contribution from art was a perspex and wire installation designed and created by the girls. The history of the school was also revealed in 12 objects including the Mercers' Maiden.

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 academic year 2013-14, 72 girls were in receipt of means tested financial support (9.6% of the school roll) of which 50 received full fee remission. The school also had specialist academic and music scholars at all levels in the school. 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. In July 2014, a week long summer school was run for year 4 girls and boys who had been nominated by their schools. 50 children attended from state schools across nine London boroughs and it was an extremely successful event. A summer school is being planned for July 2015.

Expertise is shared with local schools, for example by inviting students to attend our higher education conference and our Friday lectures series. Staff, with the assistance of students, run a well-established Latin scheme and reading scheme for primary school children. The school also seeks to benefit the community by making its sports facilities available to local schools, clubs and charities for free or at discounted rates. This year the school has forged stronger links with Hammersmith Academy including providing mentoring for their NQTs, offering revision classes for A2/AS chemistry students as well as weekly Latin classes on site. The school's Deputy Head is a governor.

Students at St Paul's Girls' School are also enthusiastic about their work for charities and social enterprise. This year while continuing to run their own charity shop Restore, they staged an inaugural fashion show. Profits from this were shared equally between West London Action for Children, the bursary fund and the two school charities, Teenage Cancer Trust and Médecins sans Frontières.

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 2014 was £1,389,000.

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 improved facilities and resources. A total of £1.2 million was secured in new donations and pledges thanks to some very generous donors.

ST PAUL'S GIRLS' SCHOOL ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

The school secured new donations and pledges totalling £47,000 for the endowed bursary fund, which had a balance of £7.7 million at 31 August 2014. All donations made to name a seat in the Singing Hall were allocated to the endowed bursary fund.

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. In addition to an appeal for the bursary fund the report included a shopping list of projects to benefit educational and co-curricular activities such as the overhaul and refurbishment of the organ in the Great Hall built by Grant, Degens and Bradbeer, the Colet Fellows and academic prizes for the UIV. To mark the school's 110th anniversary, stained glass artwork was created for the skylight lantern in the Music wing lobby thanks to a generous legacy received from an Old Paulina. The artwork reflects the school's special association with Gustav Holst, its first Director of Music. £77,000 was received in donations in response to the Foundation Report. Funds donated towards the organ were matched by the school.

During the year 51 leavers' families and with their VIII daughters organised a highly successful leaving class gift. A total of £217,000 was raised which secured places for two bursary recipients in September 2014.

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 special showing of *Girl Rising* was held in aid of the bursary fund.

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 financial year 2013-14 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 full places, the school funded the equivalent of 13 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 equivalent of 40 full places.

Pledges and donations received during the year combined with the support of the school allowed bursaries to be offered to 13 of the new MIV girls who joined in September 2014 and 4 girls in VII who joined to study for A Levels.

Over the summer of 2014 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, 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 two governors, was held at Mercers' Hall. The guest speaker was Old Paulina Clemency Burton-Hill, classical violinist, novelist, arts journalist and broadcaster.

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 OPs informed of events and other 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 and Twitter as an outward communication tool with younger alumnae. The OPConnect website also serves as a social network.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

for OPs, enabling them to search an online directory to reach out to each other. The new mentoring programme also allows OPs to connect with each other to seek careers advice from those working in their field of interest. The website also provides news and events information.

In addition to communications, the events calendar for 2013-14 engaged OPs of all ages and professions. For example:

- The school Carol Service and Christmas Concerts had a large alumnae presence
- Twice-annual year group reunions remain popular
- Student alumnae engaged with current students for university talks in London, Cambridge and Oxford
- A business and enterprise debate brought together OP entrepreneurs and those working in corporations to discuss topics such as young people and employment, and women in senior management roles
- More than 200 OPs, staff and former staff returned to school for Dr Howard Bailes' retirement lecture and party

In this upcoming academic year we will be expanding our range of events by introducing new cultural events in the art and heritage sectors. We will be reaching out to alumnae working in these areas to ask for their assistance in developing our programme. For example, in April 2015 OP Fiona Carnarvon has offered the school's alumnae an exclusive private tour of Highclere Castle, the famous setting for Downton Abbey. 2015 will also see one-off guided tours at the National Gallery and the Fitzwilliam Museum by OPs who are curators.

FINANCIAL REVIEW

Results for the Year

The financial results of the company are presented on page 15 of this report. The school generated total net incoming resources of £1,968,000 of which £1,694,000 is unrestricted (before transfer between funds). The unrestricted surplus (before transfers) represents 10.7% of total unrestricted incoming resources compared with 10.1% in the previous year.

The total income for the year ended 31 August 2014 was £17,477,000 (2013: £16,800,000) of which £14,704,000 (2013: £13,875,000) was fee income. The total resources expended were £15,509,000 (2013: £14,770,000), the most significant expense being staff costs which represent 61% of outgoing resources. Capital expenditure in the year was £558,000 (2013: £275,000).

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 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 2014, before taking the pension deficit into account, totalled £9,931,000 (2013: £8,128,000) which represents approximately 8.3 months of total unrestricted resources expended. It is proposed that the free reserves will go towards funding future capital projects, including investment in the school's estate to meet its future educational needs.

In addition, the defined benefit pension scheme for the non-teaching staff is in deficit amounting to £1,382,000 (2013: £1,328,000) which impacts on the free reserves of the school disclosed above. The school has made additional contributions totalling £230,000 (2013: £230,000) in the year.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW (continued)

Investment Policy, Objectives and Performance

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 Rothschild investment portfolio has performed satisfactorily over the year to 31 August 2014, generating a total return of 3.8% ending at a valuation of £9.1 million, with a yield of 1% over the period. Since taking over the management of the portfolio in November 2009 Rothschild has achieved an annualised total return of 11.2%.

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.

FUTURE PLANS

The school's strategic aims remain in place and efforts are directed to continuing to provide an exceptional academic education for all students.

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 endeavour.

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 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 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 is responsible for critically evaluating proposals before the onset of any build stage.
- 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.
- An expanding outreach programme seeks to attract potential bursary applicants.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES' REPORT (continued)

RISK MANAGEMENT (continued)

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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

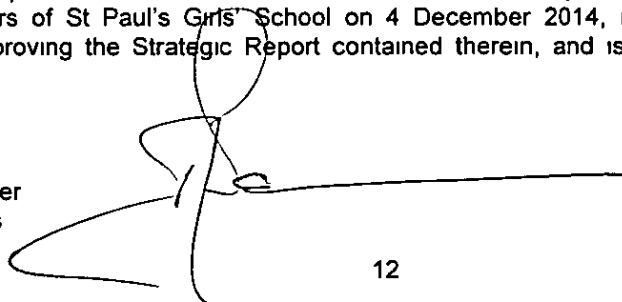
- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each Trustee has taken all the steps that he/she ought to have taken as a Trustee 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 4 December 2014, 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



ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

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 2014 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 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, 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 2014 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 2014**

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 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 audit



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

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

Date 17 December 2014

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 August 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources						
<i>Incoming Resources from Charitable Activities</i>						
Fees	2	14,704	-	-	14,704	13,875
Other educational income		554	-	-	554	604
Grants		-	161	-	161	168
<i>Incoming Resources from Generated Funds</i>						
Trading income		359	-	-	359	371
Rents		100	-	-	100	88
Investment income	3	136	75	-	211	308
Donations, gifts and legacies		26	946	399	1,371	1,375
Other incoming resources		17	-	-	17	11
Total incoming resources		15,896	1,182	399	17,477	16,800
Resources expended						
<i>Costs of Generating Funds</i>						
	5	654	65	-	719	641
<i>Charitable Activities</i>						
Provision of education	5	13,451	1,242	-	14,693	14,025
<i>Governance Costs</i>		97	-	-	97	104
Total resources expended	4&5	14,202	1,307	-	15,509	14,770
Net incoming resources before transfers		1,694	(125)	399	1,968	2,030
Transfers between funds	14	95	578	(673)	-	-
Net incoming resources before other recognised gains and losses		1,789	453	(274)	1,968	2,030
Realised gains / (losses) on investments	7	(5)	-	80	75	252
Net income for the year		1,784	453	(194)	2,043	2,282
Unrealised gains / (losses) on investments	7	(10)	39	159	188	724
Pension scheme actuarial (loss)/gain	16	(198)	-	-	(198)	236
Net movement in funds		1,576	492	(35)	2,033	3,242
Fund balances at 1 September 2013		16,170	1,563	7,791	25,524	22,282
Fund balances at 31 August 2014		17,746	2,055	7,756	27,557	25,524

The attached notes on pages 19 to 31 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 2014

SUMMARY INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 August 2014

	Notes	2014 £'000	2013 £'000
Turnover		15,258	14,479
Other income		2,493	1,525
Total income	12	17,751	16,004
Expenditure		15,509	14,770
Operating profit		2,242	1,234
Realised losses		(5)	-
Net income		2,237	1,234

The attached notes on pages 19 to 31 form an integral part of these accounts

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

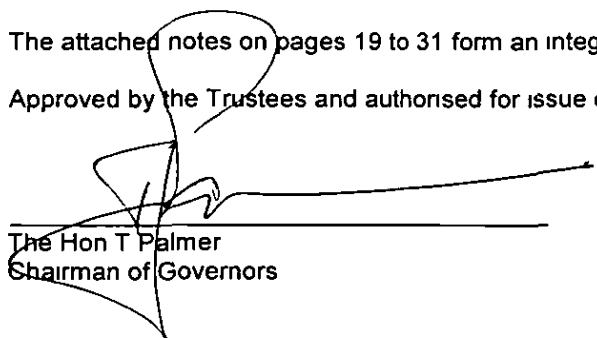
BALANCE SHEET


As at 31 August 2014

		2014		2013	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		10,053		10,232
Investments	7		7,955		8,277
			<u>18,008</u>		<u>18,509</u>
Current assets					
Stock		116		155	
Debtors	8	570		585	
Cash		<u>13,840</u>		<u>10,921</u>	
		<u>14,526</u>		<u>11,661</u>	
Current liabilities					
Creditors amounts falling due within one year	9	<u>(1,627)</u>		<u>(1,450)</u>	
Net current assets			<u>12,899</u>		<u>10,211</u>
Total assets less current liabilities			<u>30,907</u>		<u>28,720</u>
Creditors amounts falling due after more than one year	10		<u>(1,968)</u>		<u>(1,868)</u>
Net assets excluding pension liability			<u>28,939</u>		<u>26,852</u>
Pension scheme liability	16		<u>(1,382)</u>		<u>(1,328)</u>
Net assets including pension liability			<u>27,557</u>		<u>25,524</u>
Funds					
Endowment	13,14		7,756		7,791
Restricted	13,14		2,055		1,563
Unrestricted	13,14		<u>19,128</u>		<u>17,498</u>
			<u>28,939</u>		<u>26,852</u>
Total Funds before pension liability					
Pension Scheme funding reserve	16		<u>(1,382)</u>		<u>(1,328)</u>
Total Funds including deficit on pension scheme reserve			<u>27,557</u>		<u>25,524</u>

The attached notes on pages 19 to 31 form an integral part of these accounts

Approved by the Trustees and authorised for issue on 4 December 2014 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 2014

CASH FLOW STATEMENT

For the year ended 31 August 2014

	Notes	2014		2013	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	17		2,613		(870)
Returns on investment and servicing of finance					
Dividends		58		97	
Interest received		<u>160</u>		<u>252</u>	
			218		349
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(558)		(275)	
Proceeds from sale of fixed assets		1		-	
Purchase of investments		(3,437)		(4,561)	
Proceeds from sale of investments		<u>4,022</u>		<u>4,215</u>	
			28		(621)
Movement in cash before advance fees			2,859		(1,142)
 New advance fees		 232		 143	
Amounts accrued to advance fee contracts		7		10	
Amounts utilised and repaid		<u>(179)</u>		<u>(261)</u>	
			60		(108)
Increase/(decrease) in cash			2,919		(1,250)
Cash at 1 September 2013			10,921		12,171
Cash at 31 August 2014			13,840		10,921

The attached notes on pages 19 to 31 form an integral part of these accounts

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

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 a 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 2014

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

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

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 2014

NOTES TO THE ACCOUNTS (continued)

2 FEES	2014	2013
Fees consist of	£'000	£'000
Gross fees	15,079	14,255
Less bursaries, grants and allowances	<u>(1,513)</u>	<u>(1,450)</u>
	13,566	12,805
Add bursaries and grants received from restricted funds	<u>1,138</u>	<u>1,070</u>
	<u>14,704</u>	<u>13,875</u>
 3. INVESTMENT INCOME	 2014	 2013
	£'000	£'000
Dividends	55	97
Bank and building society interest	<u>156</u>	<u>211</u>
	<u>211</u>	<u>308</u>
 4. TOTAL RESOURCES EXPENDED	 2014	 2013
	£'000	£'000
Includes		
Wages and salaries	7,597	7,088
Social security costs	739	693
Pension costs	1,019	894
Peripatetic costs	<u>129</u>	<u>72</u>
	9,484	8,747
Staff benefits		
Medical insurance	<u>48</u>	<u>51</u>
	<u>9,532</u>	<u>8,798</u>
Auditor's remuneration		
For audit	28	28
Other	<u>7</u>	<u>18</u>
The average number of persons employed on a full-time equivalent basis by the charity during the year was		
Educational	112	109
Other	<u>62</u>	<u>60</u>
	<u>174</u>	<u>169</u>

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

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

4 TOTAL RESOURCES EXPENDED (continued)

The Trustees have not received any emoluments during the year (2013 £Nil) Five Trustees (2013 four) incurred travel and subsistence expenses amounting to £3,076 (2013 £1,488) which were reimbursed or paid for directly by the school

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

	2014	2013
£60,000 - £69,999	20	22
£70,000 - £79,999	6	2
£80,000 - £89,999	2	1
£100,000 - £109,999	1	1
£170,000 - £179,999	1	1

For 26 (2013 24) of the above staff, pension contributions amounting to £265,000 (2013 £239,000) were paid for the provision of defined benefits pension schemes Four staff members (2013 three) had benefits of £46,000 (2013 £33,000) accruing under defined contribution pension schemes

5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Depre- ciation £'000	2014 Total £'000	2013 Total £'000
Costs of generating funds					
Trading costs	43	316	-	359	330
Financing costs	-	94	-	94	81
Fundraising	179	24	-	203	173
Investment management	-	63	-	63	57
	222	497	-	719	641
Charitable activities					
Education	7,299	1,771	77	9,147	8,607
Welfare	449	404	-	853	813
Premises	568	1,120	654	2,342	2,364
Support costs	994	224	-	1,218	1,167
Grants, awards and prizes	-	1,133	-	1,133	1,074
	9,310	4,652	731	14,693	14,025
Governance costs	-	97	-	97	104
	9,532	5,246	731	15,509	14,770

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

6 TANGIBLE ASSETS

	Charitable Properties	Assets under Construction	Furniture Fittings & Equipment	Computers	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2013	11,888	-	2,342	831	15,061
Additions	-	199	220	139	558
Disposals	-	-	(90)	(109)	(199)
At 31 August 2014	11,888	199	2,472	861	15,420
Depreciation					
At 1 September 2013	2,518	-	1,670	641	4,829
Charge for the year	372	-	240	119	731
Disposals	-	-	(90)	(103)	(193)
At 31 August 2014	2,890	-	1,820	657	5,367
Net book value					
At 31 August 2014	8,998	199	652	204	10,053
At 31 August 2013	9,370	-	672	190	10,232

7. INVESTMENTS

	Listed investments	
	2014	2013
	£'000	£'000
Valuations at 1 September 2013	8,277	6,955
Additions	3,437	4,561
Disposal proceeds	(4,022)	(4,215)
Gains on investments	263	976
As at 31 August 2014	7,955	8,277
Historical cost of Investments	6,644	7,068

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

7. INVESTMENTS (continued)

The breakdown of listed investments as at 31 August 2014 and 2013 is as follows

	2014	2013
	£'000	£'000
UK equities	1,185	1,494
Overseas equities	4,244	3,625
Fixed interest - UK	834	991
Fixed interest - overseas	-	463
Alternative investments - UK	818	988
Alternative investments - overseas	874	716
	<u>7,955</u>	<u>8,277</u>

The total amount of UK investments is £2,837,000 (2013 £3,473,000) and the total amount of overseas investments is £5,118,000 (2013 £4,804,000)

8 DEBTORS

	2014	2013
	£'000	£'000
Fee debtors	46	55
Loans to staff	15	28
Sundry debtors	293	290
Prepayments	216	212
	<u>570</u>	<u>585</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

	2014	2013
	£'000	£'000
Trade creditors	409	329
Fees received in advance	327	308
Refundable deposits (note 11)	236	224
Advanced fees scheme (note 11)	169	158
Taxation and social security	211	204
Other creditors and accruals	275	227
	<u>1,627</u>	<u>1,450</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

10 CREDITORS, amounts falling due after more than one year

	2014	2013
	£'000	£'000
Refundable deposits (note 11)	1,629	1,578
Advanced fees scheme (note 11)	339	290
	<u>1,968</u>	<u>1,868</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	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
After 5 years	601	579	20	41
Between 2 to 5 years	790	763	167	145
Between 1 to 2 years	238	236	152	104
After more than 1 year	1,629	1,578	339	290
Within 1 year	236	224	169	158
	<u>1,865</u>	<u>1,802</u>	<u>508</u>	<u>448</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

	2014	2013
	£'000	£'000
As at 1 September 2013	448	556
New contracts	232	143
Amounts accrued to contracts	7	10
	687	709
Amounts utilised in payment of fees	(179)	(261)
As at 31 August 2014	<u>508</u>	<u>448</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

12 RECONCILIATION OF INCOMING RESOURCES AND INCOME PER INCOME AND EXPENDITURE ACCOUNT

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fees	14,704		13,875	
Other educational income	<u>554</u>		<u>604</u>	
Turnover		15,258		14,479
Other income		<u>1,820</u>		<u>1,841</u>
Total incoming resources per Statement of Financial Activities (unrestricted and restricted funds)		17,078		16,320
Transfer between funds		<u>673</u>		<u>(316)</u>
Total income per Income and Expenditure Account		<u>17,751</u>		<u>16,004</u>

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	-	5,694	2,062	-	7,756
Restricted Funds	-	1,809	246	-	2,055
Unrestricted Funds	10,053	452	10,591	(3,350)	17,746
	<u>10,053</u>	<u>7,955</u>	<u>12,899</u>	<u>(3,350)</u>	<u>27,557</u>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

14. FUNDS

	<i>1 Sep</i>	<i>Incoming</i>	<i>Resources</i>	<i>Transfers</i>	<i>31 Aug</i>
	<i>2013</i>	<i>Resources</i>	<i>Expended</i>	<i>& Other</i>	<i>2014</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>/ (Losses)</i>	<i>£'000</i>
				<i>£'000</i>	
Endowed funds					
Bursary Funds	7,784	399	-	(434)	7,749
Prize Funds	7	-	-	-	7
	7,791	399	-	(434)	7,756
Restricted funds					
Foundation Bursary Funds	1,233	1,123	(1,205)	710	1,861
Prize Funds	75	4	(5)	2	76
Buildings	135	-	(39)	-	96
Sundry Restricted Funds	120	55	(58)	(95)	22
	1,563	1,182	(1,307)	617	2,055
Unrestricted Funds					
General Reserves	16,170	15,896	(14,202)	(118)	17,746

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 £95,000 of donations towards pianos 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 £673,000 between restricted and endowed funds has been made to reflect the value of endowed bursaries funded from capital gains.

ST PAUL'S GIRLS' SCHOOL

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

15. CONTRACTS AND COMMITMENTS

At 31 August 2014, there were authorised capital commitments of £176,672 (2013 £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 2014 for the purpose of compliance with Financial Reporting Standard 17. The principal assumptions used in that valuation are as follows:

	2014	2013
Rate of increase in salaries	3.40%	3.65%
Discount rate	3.80%	4.50%
Inflation assumption (RPI)	3.00%	3.25%
Inflation assumption (CPI)	2.00%	2.25%
5% LPI pension increase assumption	2.00%	2.25%
2.5% LPI pension increase assumption	1.80%	2.00%

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

	Male		Female	
	2014	2013	2014	2013
Members attaining age 60 at year-end	26.5 years	26.4 years	29.1 years	29.0 years
Members attaining aged 60 20 years from year-end	28.0 years	27.9 years	30.7 years	30.7 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 31/08/2014	Value at 31/08/2014 £'000	Proportion of total assets at 31/08/2014	Long term rate of return expected at 31/08/2013	Value at 31/08/2013 £'000	Proportion of total assets at 31/08/2013
Equities	6.4%	1,622	37%	7.0%	1,361	35%
Bonds	2.9%	846	19%	3.5%	661	17%
Other	0.5%	28	1%	0.5%	173	4%
Absolute return fund	4.9%	1,445	33%	5.5%	1,271	33%
Secured pensions	3.8%	419	10%	4.5%	433	11%
Total market value of assets		4,360			3,899	
Present value of scheme liabilities		(5,742)			(5,227)	
Deficit in scheme		(1,382)			(1,328)	

The actual return on the Scheme's assets net of expenses over the year to the review date was approximately 7.6% (2013 9.6%). The assets do not include any investment in shares of the company. The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

16 PENSIONS (continued)

FRS 17 disclosures as at 31 August 2014

Amounts Recognised in the Balance Sheet at 31 August 2014

	Value at 31 August 2014 £'000	<i>Value at 31 August 2013 £'000</i>
Fair value of assets	4,360	<i>3,899</i>
Present value of funded obligations	(5,742)	<i>(5,227)</i>
Scheme deficit	(1,382)	<i>(1,328)</i>

Amounts disclosed on the balance sheet are made up of:

	Value at 31 August 2014 £'000	<i>Value at 31 August 2013 £'000</i>
Liabilities		
Present value of funded obligations	(5,742)	<i>(5,227)</i>
Assets		
Fair value of assets	4,360	<i>3,899</i>
Net liability	(1,382)	<i>(1,328)</i>

Amounts Recognised in the Statement of Financial Activities

	31 August 2014 £'000	<i>31 August 2013 £'000</i>
Current service cost	97	<i>105</i>
Interest cost	234	<i>203</i>
Expected return on assets	(157)	<i>(140)</i>
Past service cost	-	<i>-</i>
Total	174	<i>168</i>

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the year was

	31 August 2014 £'000	<i>31 August 2013 £'000</i>
Fair value of assets at 1 September 2013	3,899	<i>3,378</i>
Expected return on assets	157	<i>140</i>
Total contributions	355	<i>357</i>
Benefits and expenses paid	(170)	<i>(152)</i>
Actuarial gain	119	<i>176</i>
Fair value of assets at 31 August 2014	4,360	<i>3,899</i>

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

16 PENSIONS (continued)

The change in defined benefit obligation over the year was

	31 August 2014 £'000	31 August 2013 £'000
Defined benefit obligation at 1 September 2013	5,227	5,093
Current service cost	97	105
Contributions by scheme participants	37	38
Past service cost	-	-
Interest cost	234	203
Benefits paid	(170)	(152)
Actuarial loss/(gain)	317	(60)
Defined benefit obligation at 31 August 2014	<u>5,742</u>	<u>5,227</u>

The pension charge in the year payable by the school in respect of non-teaching staff was £316,000 (2013 £317,000). 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 £212,000 (2013 £151,000).

The amounts for current and previous periods are as follows

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(5,742)	(5,227)	(5,093)	(4,921)	(4,938)
Scheme assets	4,360	3,899	3,378	2,963	2,709
Deficit	<u>(1,382)</u>	<u>(1,328)</u>	<u>(1,715)</u>	<u>(1,958)</u>	<u>(2,229)</u>
Experience gains/(losses) on scheme liabilities	-	-	339	(49)	(103)
Experience gains/(losses) on scheme assets	119	176	83	(9)	22

b) Teaching Staff Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £713,000 (2013 £640,000).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, 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 Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015.

ST PAUL'S GIRLS' SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2014

NOTES TO THE ACCOUNTS (continued)

16. PENSIONS (continued)

The Department of Education is also proposing that scheme administration costs will be devolved to scheme employers in the form of an administration charge. The Department provisionally estimates that the administration charge will be 0.08% of the employers' salary costs which would increase the employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. 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.

17 RECONCILIATION OF NET INCOMING RESOURCES TO

NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	2014	2013
	£'000	£'000
Net incoming resources	1,968	2,030
Depreciation charge	731	822
Loss on disposal of tangible fixed assets	5	-
Dividend income	(55)	(97)
Interest receivable	(156)	(211)
Decrease/(increase) in stock	39	(3)
Decrease/(increase) in debtors	8	(114)
Increase/(decrease) in creditors	154	(3,275)
Pension costs arising from FRS17	(144)	(151)
Increase in refundable deposits	63	129
	2,613	(870)

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

	2014	2013
	£'000	£'000
Opening cash at bank	10,921	12,171
Change in year	2,919	(1,250)
Closing cash at bank	13,840	10,921

19. RELATED PARTY TRANSACTIONS

The following transactions occurred during the year with related parties:

The Mercers' Educational Trust Fund made bursary grants of £20,000 (2013: £25,000) to the school.

The school paid rent of £1,000 (2013: £1,000) to St Paul's Schools Foundation during the year.