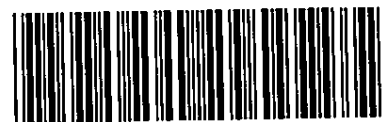


St Mary's School, Cambridge
Company Number 1840431

Financial Statements
For the year ended 31 August 2009

WEDNESDAY



ART6TKBO

A37

26/05/2010

217

COMPANIES HOUSE

St Mary's School, Cambridge

A Company Limited by Guarantee

GOVERNORS and CHARITY TRUSTEES	Mrs D Wilkinson (Chairman) Mrs J E Bates Mr P Chamberlain Mrs L Fairbrother Mrs A Hickling Sr J Livesey Mr W Matthews Mrs A McAllister Mr R Pearce Gould Fr A Rogers Mr C Smart
HEADMISTRESS	Miss C F Avery
CLERK TO THE GOVERNORS	Mr D Askew
COMPANY SECRETARY	Mr D Askew
REGISTERED OFFICE	Bateman Street Cambridge CB2 1LY
REGISTERED CHARITY NUMBER	290180
REGISTERED NUMBER	1840431
AUDITORS	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
BANKERS	Lloyds TSB Bank plc Gonville Place 95 Regent Street Cambridge CB2 1BQ

St Mary's School, Cambridge

Contents

Page No.

1 to 9	Governors' Report
10 to 11	Auditors' Report
12	Consolidated Statement of Financial Activities
13	Consolidated and Charity Balance Sheets
14	Consolidated and Charity Cash Flows
15 to 21	Notes to the Financial Statements

Governors' Report

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of St Mary's School, Cambridge (the company) for the ended 31 August 2009. The Governors confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

St Mary's School, Cambridge was incorporated as a company limited by Guarantee in August 1984 under a Memorandum of Association, which sets out its objects and powers, and is governed under its Articles of Association, both documents as amended. It has been registered as a charity with the Charity Commission since October 1984.

On 5th December 2006, amendments to the Memorandum and Articles of Association of St Mary's School, Cambridge were agreed by the Guardians which, with immediate effect, dissolved the Guardians and passed their powers of governance to the Governors. All ratified Governors are from this point also Members of the Charity. The liability of the Members is limited generally to a sum not exceeding £1 as determined by the terms of the Memorandum and Articles of Association of St Mary's School Cambridge.

Governing Body

The structure of the Charity is of one governing body. The Governors, serving as Directors, Members and Charity Trustees, during the financial year ended 31st August 2009 were

Mrs D Wilkinson (Chairman)
Mr S N Anderson (resigned 22nd June 2009)
Mrs J E Bates
Mr P Chamberlain
Mrs L Fairbrother
Mrs A Hickling
Mr K Hussey (resigned 24th June 2009)
Sister J Livesey
Mr W Matthews (appointed 26th June 2009)
Mrs A McAllister
Mr R Pearce Gould
Father A Rogers
Mr C Smart
Mr J Woodhouse (resigned 22nd June 2009)

Appointment of Governors

From 5th December 2006, under the terms of the amended Memorandum and Articles of Association, Governors are appointed by the existing Board of Governors in office at the time of appointment and are conditional upon ratification by the Members at the next General Meeting of the Charity to serve for a period of three years or less as may be determined at the time of appointment. All Governors whose appointment is ratified by the Members must become Members. Subsequent re-appointments may extend service, but for normally no more than nine years consecutively unless a longer appointment term is agreed for special reasons.

Governors' Report

Governor Recruitment, Induction and Training

Potential Governor nominations are sought regularly by the Board from a wide range of sources, including the religious, business and educational communities, and existing and past parents. The nomination process will take into account eligibility, personal competences, specialist skills and local availability needed to ensure that a good mix of skills is achieved within the Board. Potential Governors are invited to meet the Chair of Governors, and supporting Governors nominated by the Chair, the Senior School Head and the Bursar as part of the appointment process. At these meetings, the obligations and responsibilities of a Governor of St Mary's are explained in detail to ensure that potential Governors have a clear understanding of the duties and workload to be expected of them. Potential Governors are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Governors' decision making processes, the recent financial performance of the School and receive the AGBIS Guidelines for Governors handbook. After appointment, the induction process includes introduction to the School's key personnel, discussion of the areas of responsibilities and Committees the new Governor will be invited to join (if appropriate) and a further full tour of the School. New Governors are encouraged to attend the AGBIS new Governors' training course. New Governors are subject to enhanced CRB clearance checks, sign a declaration of eligibility as a new trustee, and complete a potential conflict of interest statement. All Governors throughout their terms of office are encouraged to attend appropriate external training events, especially those run by AGBIS, where these will facilitate the undertaking of their role. Meeting notes are fed back to other Governors.

Organisational Management and Governance

The St Mary's School Governors, as Directors, Members and Trustees of the Charity, are legally responsible for the overall management and control of the School, and meet as a Board at least three times a year. The work of implementing most of their policies is carried out by the members of the Finance and General Purposes Committee (F&GP) who meet two weeks before each meeting of the full Governing Board, and on other occasions as the need arises. The F&GP has been chaired by Mr C Smart since 22nd June 2009, when he succeeded Mr S Anderson. In addition there is a Bursary Committee which considers and decides upon School bursaries, (the bursary demand schedule determining the timing and frequency of meetings), and a Policies Committee. The Policies Committee reviews School policies at least annually with the Heads of the Senior and Junior School, recommending new, amended or renewal of policies to the Governing Board for the School's governance and practical operation.

The day to day running of the School is delegated by Governors to the Head of the School, the Head of the Junior School and the Bursar, supported by their Senior Management Teams. The Heads and Bursar are invited to attend Governors meetings and meetings of all Governor Committees. Individual Governors have specific link responsibilities to areas within School which cover pupil academic and pastoral subjects, together with infrastructure areas such as Health and Safety, finance and property, and report their findings and recommendations to the Board.

Group Structure and Relationships

The charity has two wholly owned subsidiary companies, St Mary's School Enterprises Limited and St Mary's Junior School Limited.

The principal activity of St Mary's School Enterprises Limited is that of fund raising and trading activities for the benefit of the School. The principal activity of St Mary's Junior School Limited, that of education, ceased on 14 April 2008 when the company transferred its business to its parent charity, St Mary's School, Cambridge. Both subsidiary companies have undertaken to pass all their taxable profits to St Mary's School, Cambridge, under Gift Aid.

Governors' Report

Risk Management

The Governors are responsible for the management of the risks faced by the School. The Governors have established a framework for the identification, assessment and control of the major risks to which the School is exposed, and they are assisted by the Senior Management Team. The Governors have an ongoing risk management strategy, which is given a very high priority, comprising

- A full annual review of the risks the School might face
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact should those risks materialise

The key controls used by the charity include

- Formal agendas for Committee and Board meetings,
- Detailed terms of reference for all committees,
- Comprehensive strategic planning, budgeting and management accounting with regular re-forecasting and annual external financial audit,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable
- Appropriate training for Governors and staff

Through the risk management processes established by the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECT, AIMS, OBJECTIVES AND PUBLIC BENEFITS

Charitable Object

The Charity's Object, as set out in its Memorandum of Association, is to promote and provide for the advancement of education and religion and in connection therewith to acquire, provide, conduct and develop a Roman Catholic school or schools, for the advancement of the education of children of any creed, but particularly children of the Roman Catholic faith, and in particular without prejudice to the generality of the foregoing for the education of girls.

Aims and Intended Impact

To achieve this Object, St Mary's School, Cambridge provides education for girls aged 4 to 18 years aiming to create a caring and stimulating Christian environment within which pupils can realise their spiritual, intellectual, creative, social, academic and physical potential through compassion, wisdom and humour, building their self confidence and their desire to make significant contributions to society as a whole.

Objectives for the Year

The foci for the School have been to

- Continue to provide a first class, highly effective educational and pastoral environment which recognises the personal needs of each individual and delivers academic added value for all of our pupils and pupils of other schools in the wider community. The new curriculum introduced in September 2007 is reviewed continually to ensure that each pupil achieves their potential academically and to provide them with a solid foundation for their next step to university or on in to future employment.

Governors' Report

- Develop our role within the Cambridge City Faith Schools Group (CCFSG) which provides a working forum for the interchange of resources, ideas and opportunities, both academic and pastoral, with eight local state schools at every level from Governors, through Head Teachers to middle management, classroom teacher and student involvement St Mary's is a founder member of the CCFSG set up during 2008, whose remit is to enhance the Christian faith and promote community cohesion by working together on group projects, with shared input of financial resources, facilities, professional expertise and networks An example of very positive community involvement has been the establishment of Greek classes at St Mary's which not only benefit our students but also the students of the local interfaith 11 -16 Comprehensive St Mary's considers working with local schools the best method of providing (and receiving) outreach benefits to children throughout the community
- Develop our programme of bursary funding to widen pupil access to the School and ensure that education is provided to girls from a broad spectrum of society
- Continue to invest in new facilities and resources which deliver academic, sporting and environmental benefits During this year, the School added a Food Room, for the introduction of Cookery to the extra curricular options, created a large new space called the Undercroft for the Sixth Form where Sixth Formers study, take seminars, use their new computer room and relax in a new comfortable lounge, installed a new physics lab, made significant improvements to the Gym and improved our energy performance with the installation of new boilers serving approximately one third of the School

Public Benefits – Bursaries and Scholarships

St Mary's offers means tested bursaries in the Senior and Junior Schools up to the full 100% cost of fees The scheme is designed to assist parents or guardians on low incomes who for financial reasons might otherwise be unable to send or continue to send their child to the School Applications for new entrant bursaries coincide generally with the new admission decision times for the Junior and Senior Schools, but bursary applications from existing parents facing unexpected hardship can occur at any stage All bursaries are reviewed annually The availability of bursaries is advertised widely through local churches and their publications, through State school links, through local radio and press advertising, through the distribution of St Mary's own bursary booklets and through our web site Individual application bursary decisions are made by the Bursary Committee, acting within policy guidance and financial budgets set by the Board The School has no endowments or capital resources from which to draw bursary funding, so each year's bursary funding is obtained solely from income generated

Total bursary awards totalled £157,499, compared to £134,585 in 2008 Bursary awards are expected to increase still further in 2009/10 to a level near £200,000, demonstrating St Mary's commitment to funding a growing level of bursary finance from income In addition, the value of scholarships totalled £90,924 (2008 £85,055) It is St Mary's School policy, in line with that of other Independent Schools, to make scholarship awards on the basis of an individual pupil's educational potential and pupils can benefit from a combination of both scholarship and bursary awards

Public Benefits – Educational and associated activities for the benefit of the community

The staff and pupils of St Mary's each year undertake a large number of events with great gusto which raise funds for local, national and international charities These events are very well supported by all and represent a very practical representation of the School's ethos to help others The total raised for giving to other charities was £17,962.20 during this year and beneficiaries included Children in Need and Emmaus Pupils also helped with the Rotary Club's Christmas shopping for the elderly, several students help run Brownie packs and some are members of the St John's Ambulance Brigade We held a concert in OLEM,

Governors' Report

the proceeds of which were for the newly established local branch of UNIFEM, the United Nations organisation to promote the well being of women

We continue to take our outreach and community cohesion programme very seriously. To that end, some former students came back in to School to sell goods on behalf of impoverished African or Indian communities or other charitable initiatives. A number of former students in recent years have worked for a charitable project or foundation after leaving School. Some as part of a gap year, a number have connections with charitable organisations and concerns that have been more enduring – a number have returned to School to present school assemblies or Sixth Form sessions this year informing and inspiring the present community about the work they have gone on to undertake.

St Mary's pupils continued to actively participate in the Duke of Edinburgh's Award Scheme. With voluntary service forming an important part of the scheme, our pupils have volunteered on a regular basis at Addenbrookes Hospital, the Arthur Rank Hospice, various nursing homes and within the Scouting and Guiding communities. Every year the Sixth Form help at the Milton Children's Hospice Christmas party. They usually dress up as Elves and entertain the children and play games with them and do face painting. Students also participate in the wider community through Work Experience. We have recently enhanced that provision by creating a new post, that of Work Experience Coordinator who works closely with the Head of Careers.

We hosted a talk by Dr John Sentamu, Archbishop of York which was attended by students from local schools in the community as well as a Jewish school from London. We have invited many guests/affiliated teachers in to School as part of our outreach and community cohesion programme eg Prof Julius Lipner (Hinduism and Comparative Religion, Cambridge), Rt Rev'd Michael Evans (Bishop of East Anglia), Most Rev'd Dr John Sentamu (Archbishop of York), Sheridan James (Associate Muslim Chaplain, Anglia Ruskin University), Dr Amineh Ahmed Hoti (Council of Jewish-Muslim Relations), Emma Wagner (Alumna and founder of NGO in Tanzania), Eva Simmons & Samia Baig (Cambridge Inter-faith project), Head Boy of CAMFED School, Sierra Leone, Dr Ed Kessler (Woolf Institute, Council for Muslim-Jewish Relations), Jonnie Leach (Drugs Education), Amanda Simoes (Alcohol Awareness), Ellie Green (Alumna, Self-esteem & eating disorders).

Classical Greek lessons are offered to students from St Bede's as well as St Mary's students, which provides opportunities for community cohesion.

Partnership with the parish is enhanced by teachers' involvement in parish life. They are involved in singing in the Choir, Eucharistic ministry, Catechesis (First communion and RCIA) and training Altar Servers. The School provides a retreat for local parishes, groups, Alumnae and parents. It was led by Sr Gemma Simmonds CJ and Fr Tony Rogers, as a way of marking the 400th anniversary of the founding of Mary Ward's community.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Principal activity of the year

The principal activity has been to provide education to girls between the ages of 4 and 18 years, and to provide opportunities for all pupils to develop spiritually, morally and socially. This year, the Senior School has averaged 478 pupils (2008 469), 60 of them being boarders, and the Junior School averaged 189 pupils (2008 172). There are waiting lists for some year groups, and there is every indication that numbers will remain strong in the future. We have continued to develop assemblies, form prayers, liturgies and days of reflection, and pupils continue to support a large variety of charitable causes.

Governors' Report

Academic performance of the School

Once again pupils at St Mary's School were able to celebrate excellent public examination results. At A Level 48% of results were at Grade A, the percentage pass rate at A – C being 92.5%, and at A – E being 100%. Thirteen pupils achieved 3 Grade A's or more and all of our Oxbridge candidates achieved the grades necessary to take up their places. At AS Level 44% of results were at Grade A, the percentage pass rate at A – C being 82.6%, and at A – E being 98.6%. At GCSE 68% of results were at A* or A. 100% of pupils achieved five or more A* – C grades, 99% of all grades achieved were A* – C. 36% of the year group achieved 9 or more A* or A grades.

It has been another successful year for the Art, Textiles, Drama and Music departments. The Art and Textiles department held outstanding exhibitions of students' work. Recently some students' Art work was displayed in the Natural Science Museum. This year's 'Shakespeare in the Garden' was 'The Tempest'. Music events were performed at both Our Lady and the English Martyrs (OLEM) and at West Road Concert Hall and included 'Perform Vivaldi's Gloria from Scratch' which brought together current pupils and staff, ex students and staff, their families and friends of the School. Some girls contribute to the work of the National Youth Orchestra, the National Youth Ballet and the National Youth Theatre.

Students participated in the Marshall's engineering event and they participate in local events such as Science Week at the University. Students take part in the National Mathematical Challenge.

A full calendar of trips and activities has been enjoyed by pupils during the year. Overseas trips included a hockey trip to Holland, and a Classics trip to visit Ancient sites in Greece. Closer to home pupils visited Snowdonia, and the North Yorkshire Moors.

Once again pupils have taken part in the local Young Enterprise programme, gaining a commendation for company performance and presentation. St Mary's pupils continued to actively participate in the Duke of Edinburgh's Award Scheme. With voluntary service forming an important part of the scheme, our pupils have volunteered on a regular basis at Addenbrookes Hospital, the Arthur Rank Hospice, various nursing homes and within the Scouting and Guiding communities. Students participated as a team in the annual joint CamWISE (Cambridge Women Into Science and Engineering) and CBN (Cambridge Businesswomen's Network) meeting which was held at St Mary's. It was a 'Dragonesses Den' evening.

In sport, all pupils are involved in inter-house competitions and many have had the opportunity to represent the School in a wide variety of sports. Many of our teams have had success at District and County level, together with a large number of individual selections to represent the County. Rowers participate in many competitions, locally and in London.

We built a new Food Room and this year Cookery has been offered as an extra curricular activity. It has been very successful and will now be introduced into the curriculum at all stages. We have continued with our rolling programme of refurbishment, and a physics laboratory has been completely refitted and the gym floor has been resprung. We have also completed a major project to create a new space for the Sixth Form, with the new 'Undercroft' providing a lounge, kitchen, computer suite and seminar rooms. Additional boarding facilities have been acquired, and we work towards providing the Junior School with single site accommodation. The installation of new boilers and a programme to improve insulation will benefit School and the environment.

We acknowledge the positive contribution towards this year's achievements made by the pupils' hard work and commitment, the parents' endorsement of the ethos of the School, and the support from the PTA and Pastonians.

Governors' Report

Mary Ward 400th Anniversary

This year we have celebrated the 400th anniversary year of our Foundress Mary Ward, by inviting women who have been pioneers in their field or who have made a significant contribution to society to come and talk informally to the pupils. Other events organised in celebration were a Day of Reflection on the spirituality of Mary Ward led by the Congregation of Jesus, attended by the local community, parents, staff and friends of the School, and a ceilidh organised by the PTA on the anniversary itself. Pupils, teachers and Governors represented the School at a Mass held in York Minster.

Alumnus Outreach

During the year a concerted effort has been started to re-established contact with past pupil year groups. New events this year have included a 'Double Decade Reunion' targeted at alumnae in their 30's and 40's, a Christmas Reunion in Hong Kong which reunited past and current boarders and a Christmas Reunion for students currently at university and in the first few years of employment.

The Governors are mindful of the need to establish a fundraising programme for both bursaries and larger investment projects and feel that our best fundraising potential will be from our alumnae.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The total incoming resources in 2009 were £8,383,467 compared to £7,780,401 in 2008, an increase of £603,066. This is primarily due to an increase in fee income of £752,566 (10.4%) reflecting an increase in pupil numbers year on year.

Net incoming resources before transfers in 2009 were £864,014 compared to £1,145,791 in 2008. The fall in net incoming resources is a result of the costs incurred on property related matters including the non-capital element of the major refurbishment project in the Undercroft and the School's endeavours to provide single site accommodation for the Junior School.

The Balance Sheet net assets of the Group have increased from £4,181,750 in 2008 to £5,040,260 in 2009. Fixed assets consist of the Freehold Property at 47, Bateman Street and improvements to the leasehold property that makes up the main School building, in addition to School furniture, equipment and motor vehicles.

All of the Charity's funds are applied in meeting its educational objectives. At a time of recession the Governors consider the results to be very satisfactory.

Reserves Policy

The reserves of the Charity itself total £5,026,882 (2008 £4,163,330). This is made up of £1,591,126 (2008 £1,591,393) representing expenditure on freehold and leasehold property less accumulated depreciation and amortisation, £2,850,000 (2008 £2,000,000) set aside in the Designated Fund to help meet the costs of future developments in School, the scholarship fund £127,707 (2008 £130,666) representing investments set aside to produce income and capital growth to provide scholarships for students, and the balance of £458,049 (2008 £441,271) comprising free reserves.

Unrestricted funds as at 31st August 2009 total £4,899,175 (2008 4,032,664), with little reliance on external funding. It has been the School's recent policy to set aside sums in order to establish a fund for potential larger projects and, to date, have set aside £2,850,000.

Governors' Report

Investment Policy and Objectives

The Memorandum and Articles of Association govern the School's investment policy, which permits the appointment of a proper and competent investment manager to act in accordance with the investment policy laid down and monitored by the Governors. The School's investment manager is required to maximise income on temporarily invested restricted funds, and preserve the underlying value of the fund. Although there was a small decline in the valuation of Charity's Managed Investment Fund, this is considered to be at an acceptable level at a time of general recession.

FUTURE PLANS

St Mary's is committed to maintaining the current high standards of academic achievement, and to provide our pupils with the caring and supportive environment which makes it possible for all pupils to reach their full potential. The School will continue to regularly review curriculum, extra-curricular activities and pastoral support provided. Excellent pupil/teacher ratios will continue to be funded.

The Governors undertake annual reviews of the threats and opportunities the School faces, which are assessed and prioritised for action to be taken. The development of the Senior and Junior School facilities will continue, which will enhance further the educational added value and pastoral care for which St Mary's School is already regarded. In particular, the Governors seek to provide the Junior School with single site accommodation as soon as a viable solution can be established. The Governors and School Staff are mindful of the current debate on Public Benefit and Governors are looking to further extend bursary provision for entry in September 2010. The contributions made by the School to local, national and international communities, including the CCFSG and external charity fundraising, is constantly under review and the Governors will continue to support and encourage such initiatives.

The Governors are committed to maintain excellent pupil/teacher ratios, and to continue the programme of professional development for all staff. The School invites periodic external reviews by peer schools, and teachers attend a wide range of professional development courses and programmes. Support Staff provide essential services and assistance is provided to help attain external qualifications across various job roles.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of St Mary's School, Cambridge, for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Governors' Report

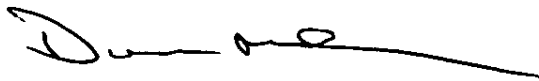
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

The Governors at the time when this Governors' report is approved have confirmed that

- so far as that Governors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as Governors in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Approved by the Board of Governors of St Mary's School, Cambridge and signed on its behalf:



Secretary. D Askew

Date: 14th May 2010

St Mary's School, Cambridge
Independent Auditors' Report to the Members of St Mary's School, Cambridge
For the year ended 31 August 2009

We have audited the financial statements of St Mary's School, Cambridge for the year ended 31 August 2009, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Governing Body and Auditors

The Governors' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that the financial statements give a true and fair view, are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been properly prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Governors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the group has not adequate accounting records, if the company's financial statements are not in agreement with these accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Governors' remuneration specified by law are not made.

We are not required to consider whether the statement in the Governors' Report concerning the major risks to which the group is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the group's risk management and control procedures.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

St Mary's School, Cambridge
Independent Auditors' Report to the Members of St Mary's School, Cambridge
For the year ended 31 August 2009

Opinion

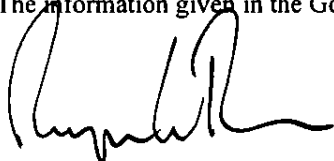
In our opinion

The financial statements give a true and fair view of the state of the charitable group's and parent company's affairs as at 31 August 2009 and of the group's 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,

The financial statements have been prepared in accordance with Companies Act 2006, and

The information given in the Governors' Report is consistent with the financial statements



R D C Guthrie (senior statutory auditor)

for and on behalf of
PETERS ELWORTHY & MOORE
Chartered Accountants and
Statutory Auditor

Salisbury House
Station Road
Cambridge
CB1 2LA

Date 17 May 2010

Consolidated Statement of Financial Activities for the year ended 31st August 2009

	Notes	<u>Accumulated</u> <u>Fund</u> <u>£</u>	<u>Designated</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Fund</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>£</u>	<u>2008</u> <u>Total Funds</u> <u>£</u>
INCOMING RESOURCES						
Incoming resources from generated funds						
Donations		105,337	-	-	105,337	102,564
Non-charitable trading income		210,770	-	-	210,770	273,293
Investment income		87,945	-	3,920	91,865	181,615
Incoming resources from generating funds		404,052	-	3,920	407,972	557,472
Incoming resources from charitable activities						
School fees		7,975,495	-	-	7,975,495	7,222,929
Total incoming resources		8,379,547	-	3,920	8,383,467	7,780,401
RESOURCES EXPENDED						
Costs of generating funds						
Non-charitable trading costs	4	113,645	-	-	113,645	104,689
Investment management	4	-	-	1,375	1,375	1,497
Cost of generating funds		113,645	-	1,375	115,020	106,186
Charitable activities						
Education and welfare	4	4,803,289	-	-	4,803,289	4,460,899
Establishment and premises costs	4	1,536,271	-	-	1,536,271	1,015,009
Support costs of schooling	4	1,013,872	-	-	1,013,872	999,091
Cost of charitable activities		7,353,433	-	-	7,353,433	6,474,999
Governance costs		51,000	-	-	51,000	53,425
Total resources expended	4	7,518,078	-	1,375	7,519,453	6,634,610
Net incoming / (outgoing) resources before transfers						
		861,469	-	2,545	864,014	1,145,791
Transfers between funds	13	(849,733)	849,733	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses		11,736	849,733	2,545	864,014	1,145,791
Gains/(losses) on investment assets		-	-	(5,504)	(5,504)	(17,440)
Net movement in funds		11,736	849,733	(2,959)	858,510	1,128,351
Fund balances at 1 September 2008		459,691	3,591,393	130,666	4,181,750	3,053,399
Fund balances at 31 August 2009	14	471,427	4,441,126	127,707	5,040,260	4,181,750

All amounts derive from continuing activities

All gains and losses recognised in the year are included in the Statement of Financial Activities

The attached notes form part of these accounts

St Mary's School, Cambridge
Registered Number. 01840431
Consolidated and Charity Balance Sheets as at 31 August 2009

	<u>Notes</u>	<u>Charity Accounts</u>		<u>Group Accounts</u>	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		£	£	£	£
Fixed assets					
Tangible fixed assets	7	2,031,732	2,136,411	2,031,732	2,136,411
Investments	8	127,709	130,668	127,707	130,666
		<u>2,159,441</u>	<u>2,267,079</u>	<u>2,159,439</u>	<u>2,267,077</u>
Current assets					
Stock		-	-	52,298	42,103
Debtors	9	122,463	296,590	105,112	92,630
Cash at bank and in hand		4,931,486	3,299,995	4,935,647	3,505,172
		<u>5,053,949</u>	<u>3,596,585</u>	<u>5,093,057</u>	<u>3,639,905</u>
Total current assets					
		<u>5,053,949</u>	<u>3,596,585</u>	<u>5,093,057</u>	<u>3,639,905</u>
Creditors - falling due within one year	10	1,543,657	1,336,849	1,569,385	1,361,747
		<u>1,543,657</u>	<u>1,336,849</u>	<u>1,569,385</u>	<u>1,361,747</u>
Net current assets / (liabilities)		<u>3,510,292</u>	<u>2,259,736</u>	<u>3,523,672</u>	<u>2,278,158</u>
Total assets less current liabilities		<u>5,669,733</u>	<u>4,526,815</u>	<u>5,683,111</u>	<u>4,545,235</u>
Creditors - falling due after one year	11	642,850	363,485	642,851	363,485
		<u>642,850</u>	<u>363,485</u>	<u>642,851</u>	<u>363,485</u>
Total net assets		<u><u>5,026,882</u></u>	<u><u>4,163,330</u></u>	<u><u>5,040,260</u></u>	<u><u>4,181,750</u></u>
Funds					
Restricted funds	12	127,707	130,666	127,707	130,666
Unrestricted funds					
Designated funds	13	4,441,126	3,591,393	4,441,126	3,591,393
Accumulated fund		458,049	441,271	471,427	459,691
		<u>5,026,882</u>	<u>4,163,330</u>	<u>5,040,260</u>	<u>4,181,750</u>

ON BEHALF OF THE GOVERNORS


Governor

Approved by the Governors on

Date

14th May 2010

The attached notes form part of these accounts

St Mary's School, Cambridge

Consolidated and Charity Cash flow Statement for the year ended 31 August 2009

	<u>Charity Accounts</u>		<u>Group Accounts</u>	
	2009	2008	2009	2008
	£	£	£	£
Net cash flow from operating activities				
Net incoming / (outgoing) resources	869,056	1,159,809	864,014	1,145,791
Elimination of non-operating cashflows -				
- Scholarship Fund investment income	(3,920)	(5,047)	(3,920)	(5,049)
- Scholarship Fund management fees	1,375	1,497	1,375	1,497
Depreciation charge added back	270,227	237,934	270,227	250,108
Capital equipment written off	98,251	-	98,251	-
(Increase) / decrease in stock	-	-	(10,195)	6,213
(Increase) / decrease in debtors	174,127	(108,006)	(12,482)	(24,806)
Increase / (decrease) in creditors	486,173	238,154	487,004	(22,656)
	<u>1,895,289</u>	<u>1,524,341</u>	<u>1,694,274</u>	<u>1,351,098</u>
Net cash flow from investing activities				
Payments to acquire tangible fixed assets	(263,799)	(430,663)	(263,799)	(432,117)
Proceeds from disposal of tangible fixed assets	-	1,100	-	44,363
	<u>(263,799)</u>	<u>(429,563)</u>	<u>(263,799)</u>	<u>(387,754)</u>
Increase/(decrease) in cash	<u>1,631,490</u>	<u>1,094,778</u>	<u>1,430,475</u>	<u>963,344</u>
The closing net cash position was made up as follows				
Balance at beginning of year	3,299,995	2,205,217	3,505,172	2,541,828
Net cash inflow/(outflow)	1,631,490	1,094,778	1,430,475	963,344
Cash at bank and in hand at end of year	<u>4,931,486</u>	<u>3,299,995</u>	<u>4,935,647</u>	<u>3,505,172</u>

Notes to the Financial Statements for the year ended 31 August 2009

1. Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are as follows
- b) Consolidated financial statements have been prepared for the year ended 31 August 2009. The group financial statements include the results of the Charity and its two wholly owned subsidiaries, St Mary's School Enterprises Limited and St Mary's Junior School Limited. In accordance with section 408 of the Companies Act, no income and expenditure account is presented for the Charity itself
- c) Fund Accounting – funds held by the charity are either unrestricted general funds (to be used in accordance with the charitable objects at the discretion of the Trustees), designated funds (set aside for specific future purposes or projects) or restricted funds (only to be used for particular restricted purposes within the objects of the charity, the restriction being set by the donor or when funds are raised for a specified purpose). Further information is included in notes 12 to 14
- d) Depreciation – Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments at the following rates:

Leasehold	- Over the period of the lease
Computers	- 25% on cost
Furniture and equipment	- 20% on cost
Motor vehicles	- 25% on cost
Freehold buildings	- 2% on cost
Freehold land	- nil
- e) Investments – Investments carried for the long term to generate income or capital growth are carried at market value as fixed assets. Investment income is accounted for when received. Realised and unrealised gains are shown separately in the appropriate section of the Statement of Financial Activities
- f) Pensions – The Charity contributes to the Government-controlled Teachers' Pension Scheme for academic staff and to a defined contribution scheme for certain other individuals. Assets of each scheme are held separately from those of the Charity under independent control. The Charity's contributions are written off in the year in which they are incurred
- g) Allocation of costs - expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates
- h) Direct charitable expenditure - expenditure includes all expenses directly related to the objects of the charity, and is accounted for on an accruals basis
- i) Other expenditure - expenditure includes costs relating to organisational administration, and compliance with statutory requirements
- j) Stock - stocks are stated at lower of cost and net realisable value

2. Company Status

The company is limited by guarantee, not having a share capital, and is a registered charity and is not liable to corporation tax

St Mary's School, Cambridge

Notes to the Financial Statements for the year ended 31 August 2009

3 Expenditure

Charitable expenditure includes -	<u>2009</u> £	<u>2008</u> £
Auditors remuneration		
- for audit	12,350	16,025
- for other services	(11,220)	8,508
Total	<u>1,130</u>	<u>24,533</u>
Staff costs -		
Wages and salaries	4,036,940	3,766,854
Social security costs	320,311	298,669
Pension costs	416,981	405,168
Total	<u>4,774,232</u>	<u>4,470,691</u>
Governors' remuneration	Nil	Nil
Reimbursement of expenses paid to Governors	Nil	30

The average number of full-time equivalent employees during the year, analysed by function, was

	<u>2009</u> Number	<u>2008</u> Number
Education and welfare	95	87
Administration	13	13
Establishment	26	25
Trading	1	1
Total	<u>135</u>	<u>126</u>

The number of employees earning over £60,000 per annum excluding pension contributions were

	<u>2009</u> Number	<u>2008</u> Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-

4. Analysis of total resources expended

	<u>Staff Costs</u> £	<u>Other</u> £	<u>Depreciation</u> £	<u>Total</u> £	<u>2008 Total</u> £
Costs of generating funds					
Non-charitable trading costs	15,996	97,650	-	113,645	104,689
Investment management	-	1,375	-	1,375	1,497
	<u>15,996</u>	<u>99,025</u>	<u>-</u>	<u>115,020</u>	<u>106,186</u>
Charitable expenditure					
Education and welfare	3,823,454	979,835	-	4,803,289	4,460,899
Establishment and premises costs	493,148	1,043,123	-	1,536,271	1,015,009
Support costs of schooling	401,135	342,511	270,227	1,013,872	999,091
School operating costs	<u>4,717,737</u>	<u>2,365,469</u>	<u>270,227</u>	<u>7,353,433</u>	<u>6,474,999</u>
Governance costs	40,500	10,500	-	51,000	53,425
Total resources expended	<u>4,774,232</u>	<u>2,474,994</u>	<u>270,227</u>	<u>7,519,453</u>	<u>6,634,610</u>

St Mary's School, Cambridge

Notes to the Financial Statements for the year ended 31 August 2009

5 Net income from trading activities of subsidiaries

5a. St Mary's School Enterprises Limited

The charity owns the whole of the ordinary share capital consisting of 2 ordinary shares of £1 each, of St Mary's School Enterprises Limited, which operates the supply of services to the summer school and the sale of uniforms. The subsidiary donates its taxable profits to the school each year by gift aid. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

Profit and Loss Account	2009	2008
	£	£
Turnover	108,157	116,772
Cost of sales	(98,126)	(88,166)
Gross profit	10,031	28,606
Administration	(15,520)	(16,524)
	(5,489)	12,082
Interest receivable	445	1,167
Amount gifted to St Mary's School	-	(13,249)
Retained in subsidiary	(5,044)	-

5b. St Mary's Junior School Limited

The charity owns the whole of the ordinary share capital, consisting of 3,000 ordinary shares of £1 each, of St Mary's Junior School Limited, from its date of acquisition on 17 February 2006. The company provided primary school education up until April 2008 when that education activity was transferred to the charity. The subsidiary donates its taxable profits to the school each year by gift aid. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

Profit and Loss Account	2009	2008
	£	£
Turnover	101	857,357
Administrative expenses	(765)	(612,398)
Operating profit	(664)	244,959
Net interest receivable	6,860	29,004
Amount gifted to St Mary's School	(6,196)	(287,657)
Corporation tax	-	(324)
Retained in subsidiary	-	(14,018)

St Mary's School, Cambridge

Notes to the Financial Statements for the year ended 31 August 2009

6. Changes in resources available for charity use

	<u>Accumulated</u> <u>Fund</u> <u>£</u>	<u>Designated</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Fund</u> <u>£</u>	<u>2009</u> <u>Total</u> <u>£</u>	<u>2008</u> <u>Total</u> <u>£</u>
Net movement in the year	11,736	849,733	(2,959)	858,510	1,128,351
Transfers					
Net decrease/(increase) in tangible fixed assets	104,412	267	-	104,679	(137,645)
	<u>116,148</u>	<u>850,000</u>	<u>(2,959)</u>	<u>963,189</u>	<u>990,706</u>

7. Tangible Fixed Assets

Charity and Group	<u>Freehold</u> <u>Property</u> <u>£</u>	<u>Leasehold</u> <u>Property</u> <u>£</u>	<u>Furniture &</u> <u>Equipment</u> <u>£</u>	<u>Motor</u> <u>Vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost					
- Beginning of year	655,657	1,373,638	1,372,515	124,296	3,526,106
- Additions	-	145,820	117,979	-	263,799
- Amounts written off	(98,251)	-	-	-	(98,251)
- End of year	<u>557,406</u>	<u>1,519,458</u>	<u>1,490,494</u>	<u>124,296</u>	<u>3,691,654</u>
Accumulated depreciation					
- Beginning of year	72,000	365,901	901,922	49,872	1,389,695
- Depreciation	8,000	39,836	197,233	25,158	270,227
- On disposals	-	-	-	-	-
- End of year	<u>80,000</u>	<u>405,737</u>	<u>1,099,155</u>	<u>75,030</u>	<u>1,659,922</u>
Net book value					
- Beginning of year	<u>583,657</u>	<u>1,007,737</u>	<u>470,593</u>	<u>74,424</u>	<u>2,136,411</u>
- End of year	<u>477,406</u>	<u>1,113,721</u>	<u>391,339</u>	<u>49,266</u>	<u>2,031,732</u>

All assets are held for educational purposes

8. Investments

	<u>Charity</u>		<u>Group</u>	
	<u>2009</u> <u>£</u>	<u>2008</u> <u>£</u>	<u>2009</u> <u>£</u>	<u>2008</u> <u>£</u>
Managed investment fund (at market value)	127,707	130,666	127,707	130,666
Investment in subsidiaries	63,955	63,955	-	-
Less provision (see below)	(63,953)	(63,953)	-	-
	<u>127,709</u>	<u>130,668</u>	<u>127,707</u>	<u>130,666</u>

The historic cost of the investments in the fund is £122,364 (2008 £120,043)

St Mary's School, Cambridge

Notes to the Financial Statements for the year ended 31 August 2009

8 Investments (continued)

Movements on the investment portfolio during the year were as follows

	<u>Cash</u>	<u>Investments</u>	<u>Total Fund</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 31 August 2008	16,789	113,877	130,666
Net acquisition of investments	(6,237)	6,237	-
Investment income	3,920	-	3,920
Investment management fees	(1,375)	-	(1,375)
Investment gain/(loss)	-	(5,504)	(5,504)
Balance at 31 August 2009	<u>13,097</u>	<u>114,610</u>	<u>127,707</u>

There are no investments which individually represent 5% or more of the portfolio valuation

Investment in subsidiary companies represents £2 for St Mary's Enterprises Limited and £63,953 for St Mary's Junior School Limited. Both companies are wholly owned, incorporated and registered in England and Wales. Provision has been made to reduce the investment in St Mary's Junior School Limited to its anticipated net asset value.

9 Debtors

	<u>School</u>		<u>Group</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Due within one year				
School fees receivable	45,491	13,957	45,566	15,372
Amounts owed by subsidiary companies	17,426	205,375	-	-
Prepayments	<u>59,546</u>	<u>77,258</u>	<u>59,546</u>	<u>77,258</u>
	<u>122,463</u>	<u>296,590</u>	<u>105,112</u>	<u>92,630</u>

10 Creditors amounts falling due within one year

	<u>School</u>		<u>Group</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans	8,823	7,895	8,823	7,895
Amounts owed to subsidiary companies	5,113	-	-	-
School fees in advance	912,801	708,326	912,801	708,326
Taxes and social security costs	151,146	146,242	157,312	154,196
Other creditors	340,010	384,426	362,185	399,514
Accruals	<u>125,763</u>	<u>89,960</u>	<u>128,264</u>	<u>91,815</u>
	<u>1,543,657</u>	<u>1,336,849</u>	<u>1,569,385</u>	<u>1,361,747</u>

11 Creditors amounts falling due after one year

	<u>School</u>		<u>Group</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans	149,234	158,055	149,235	158,055
Deposits	<u>493,616</u>	<u>205,430</u>	<u>493,616</u>	<u>205,430</u>
	<u>642,850</u>	<u>363,485</u>	<u>642,851</u>	<u>363,485</u>

Bank loans consists of two loans, both at an APR of 6.8%, and repayable between 2015 and 2025. Both loans are unsecured.

Notes to the Financial Statements for the year ended 31 August 2009

12 Restricted fund

The scholarship fund comprises investments set aside to produce income and capital growth to provide scholarships for students

	<u>31 August</u> <u>2008</u> £	<u>Net income</u> <u>and (losses) from</u> <u>investments</u> £	<u>Donations</u> <u>received</u> £	<u>Transfers</u> <u>in year</u> £	<u>31 August</u> <u>2009</u> £
Scholarship fund	130,666	(2,959)	-	-	127,707
	<u>130,666</u>	<u>(2,959)</u>	<u>-</u>	<u>-</u>	<u>127,707</u>

13 Designated funds

The income funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the governors for specific purposes

	<u>31 August</u> <u>2008</u> £	<u>Income</u> £	<u>Transfers</u> £	<u>31 August</u> <u>2009</u> £
Capital reserve	1,591,393	-	(267)	1,591,126
Development fund	2,000,000	-	850,000	2,850,000
	<u>3,591,393</u>	<u>-</u>	<u>849,733</u>	<u>4,441,126</u>

The capital reserve represents the net book value of sums expended on freehold and leasehold property (note 7) The transfer represents additions less disposals, less depreciation, and is from the accumulated fund

The development fund represents funds set aside for future development of the school

14 Analysis of group net assets between funds

Fund balances at 31 August 2009 are represented by

	<u>Accumulated</u> <u>Fund</u> £	<u>Designated</u> <u>Fund</u> £	<u>Restricted</u> <u>Fund</u> £	<u>2009</u> <u>Total</u> £	<u>2008</u> <u>Total</u> £
Tangible fixed assets	440,606	1,591,126	-	2,031,732	2,136,411
Investments	-	-	127,707	127,707	130,666
Current assets	2,243,057	2,850,000	-	5,093,057	3,639,905
Current liabilities	(1,569,385)	-	-	(1,569,385)	(1,361,747)
Longterm liabilities	(642,851)	-	-	(642,851)	(363,485)
Total net assets	<u>471,427</u>	<u>4,441,126</u>	<u>127,707</u>	<u>5,040,260</u>	<u>4,181,750</u>

Notes to the Financial Statements for the year ended 31 August 2009

15 Financial commitments

Annual commitments for lease of property

	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
On leases expiring in less than one year	35,460	35,460
On leases expiring in two to five years	-	-
On leases expiring after five years	<u>224,000</u>	<u>224,000</u>
	<u>259,460</u>	<u>259,460</u>

Annual commitments for other rentals payable under operating leases

	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
On leases expiring in two to five years	<u>4,843</u>	<u>4,843</u>
	<u>4,843</u>	<u>4,843</u>

Commitments for capital expenditure approved by the Governors but not expended at 31 August 2009 amounted to £nil (2008 £nil)

16. Contingent liabilities

There were no contingent liabilities at 31 August 2009 (2008 £nil)

17 Pension costs

(a) The company participates in the Teachers' Pension Scheme for academic staff. This is a scheme controlled and financed by the Government and is independent from the company. The School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

(b) The company participates in the Independent Schools' Pension Scheme (ISPS), a multi-employer defined benefit scheme for certain administration staff. The scheme is funded and contracted out of the State scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The company's total contribution rate in the year to the Independent Schools Pension Scheme was 23.9%, being 16.9% employer and 7% employee contributions. The company is unable to identify its share of the underlying assets and liabilities of the scheme. However, the scheme was valued in aggregate by a qualified actuary on 30 September 2005 and this showed a market value for the scheme as a whole of £58.4 million and an asset shortfall of £8.7 million, equivalent to a past service funding level of 87%. Financial assumptions underlying the ISPS valuation were 6.9% investment return on future contributions, 6.7% return on accumulated assets, 2.5% rate of inflation and pension increases, 4.0% rate of salary increases. Assets were assumed to earn the same return as a portfolio comprising 100% UK equities for non-pensioner liabilities and 25% equities / 75% gilts for pensioner liabilities. Under the valuation assumptions, the deficit should be eliminated by 30 September 2018 at the current rate of contributions.

(c) The company operates a stakeholder pension scheme which all non academic staff have the opportunity to join. Employees are free to choose their level of contribution and the company matches employee contributions up to a maximum of 6%. The pension provider is Clerical and Medical.

The pension cost charge represents contributions payable by the company to all three of these funds. These amounted to £416,980 (2008 £405,168). Contributions totalling £53,363 (2008 £50,912) were payable to the funds at the year-end and are included in creditors.

18. Related party transactions

Denise Wilkinson is a Governor at St Mary's School, Cambridge, and also a partner at Hewitsons. During the year, transactions with Hewitsons amounted to £22,322 (2008 £15,442).