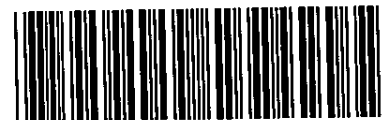


Registered number: 01840431
Charity number: 290180

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

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ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

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ST MARY'S SCHOOL CAMBRIDGE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2012**

**Governors and Charity
Trustees**

Mr F Morgan, Chairman
Mrs J E Bates
Mr P Chamberlain (resigned 26 June 2012)
Ms J Clements OBE (appointed 27 November 2012)
Professor J Driscoll
Mrs L Fairbrother
Mr C Flood
Mr A Freeman
Mr C Jones (appointed 4 January 2012)
Father P Leeming
Sister J Livesey (resigned 31 December 2011)
Mr W Matthews
Mrs A McAllister
Sister F Orchard (appointed 20 March 2012)
Mr C Smart
Mrs S Varey
Dr B N Ward
Mrs D Wilkinson (resigned 31 December 2011)

**Company registered
number**

01840431

**Charity registered
number**

290180

Registered office

Bateman Street
Cambridge
Cambridgeshire
CB2 1LY

**Clerk to the Governors
and Company secretary**

Mr D Askew

Headmistress

Miss C F Avery

Independent auditors

Peters Elworthy & Moore
Chartered Accounts
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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2012

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 year ended 31 August 2012. 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

a 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.

b 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.

c. 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 process is overseen by the Nominations Committee and takes 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.

ST MARY'S SCHOOL CAMBRIDGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

d. Organisational Management and Governance

The St Mary's School Governors, as Directors and Members 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) chaired by Mr W Matthews, who meet two weeks before each meeting of the full Governing Board, and on other occasions as the need arises. 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), a Policies Committee, and an Education Committee. The Policies Committee reviews School policies at least annually with the Heads of both 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 Education Committee meets regularly to consider matters relating to teaching and learning, the co-curriculum, ethos and pastoral care.

The day to day running of the School is delegated by Governors to the Headmistress of the Senior School, the Head of Juniors and the Bursar, supported by their Senior Leadership Teams. The Headmistress, Bursar and other senior staff are invited to attend Governors' meetings and meetings of Governor Committees when appropriate. Individual Governors have specific link responsibilities to areas within School which cover pupil academic and pastoral subjects, together with infrastructure areas such as finance and property, and report their findings and recommendations to the Board.

e. 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.

f. 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 Leadership 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

ST MARY'S SCHOOL CAMBRIDGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

- 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. The excellent outcomes of the Junior and Senior School inspections completed in May 2010 by the Independent Schools Inspectorate confirmed that the School complies with all the regulatory requirements the ISI examines and Governance is good. The 'outstanding' judgement awarded to the School in the summer of 2011 by Ofsted, on the conclusion of its inspection of the School's boarding provision, re-affirmed the School's maintenance of the highest standards. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTIVES AND ACTIVITIES

a. 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. In the furtherance of this object, the Governors, as Charity Trustees, have complied with their duty under s17 of the Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that Act.

b. 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.

c. 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 curriculum is reviewed continually to ensure that each pupil achieves their potential academically and provides them with a solid foundation for their next step to university or on into future employment. The focus on tracking and monitoring individual pupil's progress has been key in identifying pupils who need further support within the curriculum to ensure they reach their true potential.
- Promote community cohesion by working together on group projects, with shared input of financial resources, facilities, professional expertise and networks. One very positive community project is the on-going provision of Greek classes at St Mary's which not only benefit our pupils but also the pupils of the local interfaith 11-16 comprehensive school. We held a very successful outreach enrichment day in the summer term for Year 4 and 5 pupils from local primary schools, in addition to offering our facilities and expertise to the Cambridge Youth Operatic Society to support their first ever public performance. St Mary's School considers working with local schools the best method of providing, and receiving, outreach benefits for children throughout the community.
- Continue to contribute to local, national and international communities through our involvement with the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Cambridge City Faith Schools Group (CCFSG) and our charitable fundraising, all of which are supported by the governors

- Continue to develop the Senior and Junior School facilities to further enhance the educational added value and pastoral care for which the school is already well regarded
- Continue to invest in new facilities and resources which deliver academic, sporting and environmental benefits to all our pupils. In September 2011, Acton House opened as the new home of the Key Stage 2 cohort of the Junior School, providing a modern, stimulating learning environment within a magnificent Victorian building. Many exciting events have taken place during their first year of occupation. After extensive further works, the Coach House was opened on 1st September 2012 as the adjacent new home for Key Stage 1. The School continues to invest heavily to improve the fabric and resources of all its buildings and specific projects included work to create and open in September 2011 the School's new Art and Photography Centre of Excellence at 47 Bateman Street. An additional boarding house was also made ready for opening in September 2012.
- Continue to 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 maintain excellent pupil/teacher ratios, and to maintain our programme of professional development for all staff, including undertaking the oversight and in-school training of Newly Qualified Teachers (NQT) on behalf of the Independent Schools Teacher Induction Panel (ISTIP). The quality of our assessments continue to be judged outstanding and consequently used as exemplar material for training for all other independent schools who employ NQTs.

d. Public Benefits - Bursaries and Scholarships

St Mary's offers means tested bursaries in both the Senior and Junior Schools towards the cost of tuition fees. The scheme is designed to assist parents or guardians on low incomes who may 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. Bursaries are reviewed annually. The availability of bursaries is advertised widely through local churches and church publications, via state school links, local radio and press advertising, through the distribution of St Mary's School's own bursary booklets and on our web site. Bursary decisions are made by the Bursary Committee, acting within policy guidance and financial budgets set by the Board of Governors. The School has no endowments or capital resources from which to draw bursary funding, so each year's funding is obtained solely from income generated.

In 2012 Bursary Awards totalled £218,234, and are expected to increase in 2012/13, demonstrating St Mary's commitment to funding a growing level of bursary finance from income. In addition, the value of scholarships totalled £64,650. 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.

e. 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 enthusiasm which raise funds for local, national and international charities. These events are very well supported by staff and pupils and are a practical representation of the School's ethos to help others. The Sponsored Fun Run and Lourdes Fundraising Fortnight are key events amongst a whole host of other fundraising activities from cake sales to non-uniform days which take place regularly throughout the year. Two hunger lunches each academic year raise money specifically for CAFOD. The total raised for giving to other charities was £12,541.60. Beneficiaries included MIND, the Red Cross, Mencap, Diabetes UK, Little Princess Trust, Leukaemia Research,

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Make A Wish Foundation, Hope For Justice, Oxfam, Cystic Fibrosis, Poppy Appeal, Breast Cancer Research, Children In Need and the Glanfield Children's Group. The recipient charities are chosen by the Charities Co-ordinator in conjunction with the Sixth Form Charity Prefects and with input from pupils on the Charity Committee. A Fairtrade stall is open every day, organised and run by the students, selling Fairtrade snacks. We actively celebrated Fairtrade fortnight during February and March 2012.

Beyond the school gates staff and pupils are involved in many fundraising activities. Sixth Form pupils took part in the local "Chariots of Fire" relay race around Cambridge, this year raising funds for the Rosie Hospital Campaign. Seventeen boarding students plus two staff ran the 'Race For Life' in July to raise money for Breast Cancer Research. Staff have also "sprouted" moustaches in November to raise awareness of men's health, Samaritans sponsored swims, charity bridge tournaments and the London Marathon, raising money for a wide range of charities including Marie Curie Cancer Care, Macmillan Nurses and Breast Cancer Awareness. A member of staff also undertook a sponsored bike ride in aid of Friends of Essex Churches.

The PTA are also pro-active in raising funds for charity and every year they donate a percentage of the money raised through larger events to a chosen charity. In 2011-2012 their chosen charity was Daughters of Charity, who work throughout the world with people who are poor, marginalised and discriminated against.

A number of former pupils 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 initiatives that have been more enduring, returning to School to present school assemblies or Sixth Form sessions informing and inspiring the present community about the work they have gone on to undertake. We were delighted to welcome back a recent "old girl" who joined us for the Year 9 Day of Reflection. She gave a presentation and question and answer session on her recent stay with the Mary Ward sisters at their school in Kwekwe, Zimbabwe who receive support through St Mary's School fundraising events. Sister Christopher, a previous Headmistress of St Mary's, continues to be active in the Kwekwe school despite being in her mid-nineties.

As a School we continue to take our outreach cohesion programme very seriously. St Mary's School hosted 'Girl Power', a day to inspire girls to consider careers in Science and Engineering. Two hundred and fifty girls in Year 11 and Sixth Forms from eighteen different schools attended. The day featured an introduction by Dr Julian Huppert MP as well as a panel of eminent female scientists and engineers. Guests included Professor Judith Driscoll (Professor of Materials Science at the University of Cambridge), Dr Karen Castille (Chief Nurse and Chief Operating Officer at Cambridge University Hospitals NHS Foundation Trust), Professor Valerie Gibson (Professor in High Energy Physics at Cavendish Laboratory, Cambridge University), Professor Elizabeth Morris OBE (Fellow of the Scott Polar Research Institute & Visiting Professor at the Environmental Systems Science Centre, University of Reading), Dr Melody Clark of the British Antarctic Survey and Dr Sam Lucy (Admissions Tutor of Newnham College, Cambridge). Throughout the day, CamAWISE, STEM Team East, The Smallpeice Trust and Nuffield Bursaries exhibited and spoke to delegates at the conference. The costs of the day were covered by St Mary's and the other independent girls' schools. Hailed a great success, St Mary's anticipates running another outreach day in Autumn 2013.

In the summer term 2012 we held our second outreach enrichment day aimed at Year 4 and 5 pupils, boys and girls, from local state primary schools. The pupils participated in four sessions in Cookery, Politics, Physics and Chemistry, enabling them to have access to subject specialists and facilities that may not otherwise be available to them. In addition to this, staff from two of the schools, including a school governor responsible for Gifted and Talented provision, accompanied their students for the day, using the event as an opportunity to learn from the teaching techniques used at St Mary's. Our staff and Sixth Form pupils thoroughly enjoyed working with the young pupils and we received extremely positive feedback from the schools involved. The event proved to be a great success and St Mary's is committed to holding a similar outreach day annually for the benefit of pupils in our local state primary schools. We were delighted that seven new schools participated this year.

As a School we are committed to providing our pupils with a taste of the world beyond the school gates and to this end we continue to invite many guests and affiliated teachers to give lectures, run workshops and spend

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

time with the pupils discussing their work, careers, social and political issues, and charitable activities. This year we have been delighted to welcome Dr Sally-Ann Ashton of the Fitzwilliam Museum who presented an illustrated talk on 'Headrests, Hair Combs and Black Youth Culture' and the importance of hair in African culture. Our Year 9 pupils enjoyed a talk in the library from Dr Stephen McLaughlin who talked about some of the background to Joan Lingard's 'Across the Barricades' which some pupils are studying. Dr Julie Smith from Robinson College talked to pupils from Years 7 to 13 about her career as an academic, a Liberal Democrat councillor for Newnham, and her own education at Merchant Taylors' and Oxford where she read Philosophy, Politics and Economics. Dr Victoria Cadman, Executive Director of the Ecological Continuity Trust, presented a talk on Global Warming and Kelly Stevenson, Assistant Manager in the Entrepreneurial Business department at Deloitte, visited the school and spoke with a group of Sixth Formers who are particularly interested in exploring a career in Accountancy. Polly Compston spoke to pupils on the topic of 'It's a vet's life - specialising in equine medicine' and Professor Judith Driscoll, one of our Governors, discussed 'Nanotechnology for Clean Energy' during Science Week. Mark Edmondson gave an informative lunchtime talk on 'The Law' and Professor Elaine Ecklund, Associate Professor of Sociology at Rice University, USA, led a Year 10 Religious Education lesson focusing on the question 'Are Scientists Anti-Religious?' Andrew Tatham gave an entertaining evening talk on the history of a World War I Battalion and Anthony Green RA shared his reflections on many of his most popular works of art.

This year two more Sixth Form pupils were selected by the Holocaust Educational Trust to join the Lessons from Auschwitz Project. Following training workshops in London, the project culminated with a visit to Auschwitz and the girls became Holocaust Ambassadors which involved sharing their thoughts and reflections with their own peer group as part of the Sixth Form general studies programme.

Informative talks about difficult social issues affecting our pupils are very important and we regularly invite parents into School to hear key speakers talk and discuss challenging topics. In September parents were invited to attend a taster session for a course called 'Transform Living With Teenagers'. The course gave parents a chance to explore the four key elements of self-esteem, language and communication, feelings and setting boundaries led by Judy Reith and Sarah Rose. In February, parents were also invited to an evening talk presented by Peter Hall aimed at educating parents and guardians about the current drug 'scene' and its impact on young people.

Pupils from other schools are regularly welcomed into St Mary's School. This year the Classics department hosted the annual Classical lecture. Professor Paul Cartledge gave a talk on the ancient Greek Olympics, which was attended by students and staff from local schools. In October, we had the pleasure of hosting the English Speaking Union (ESU) Master Class and opened our doors to local schools for some inspiring training in the techniques required to be an excellent public speaker. Many of the students had already competed in ESU competitions and made the most of opportunities to increase their experience and develop their techniques. A group of members from the local branch of the ESU joined us, bringing with them two talented young speakers, graduate students from Oxford and Cambridge respectively. Also in October the Cambridge Youth Opera Society performed their inaugural opera, Purcell's 'Dido and Aeneas', at St Mary's School. This excellent production featured students aged 12 to 18 from a wide range of schools in the Cambridge area, its aim being to give them the experience of everything involved in producing a fully staged opera, from acting and singing, the orchestra and stage management, to choreography, make-up and costumes. We look forward to working with the Youth Opera group on future projects, building on this success.

St Mary's pupils continue to actively participate in the Duke of Edinburgh's Award Scheme with large numbers of pupils involved at Bronze, Silver and Gold level. 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 such as The Hope Nursing Home and within the Scouting and Guiding communities. Charity shops such as Oxfam, MIND and Barnados also benefit greatly from our pupils' help and support. Other pupils support the elderly in their own homes and spend time clearing litter in their local village communities. Pupils also help at local stables, the Bird Sanctuary, Sunday Schools and support the out-of-hours clubs run in the Junior School. Several pupils help run Brownie packs and some are members of the St John's Ambulance Brigade. Every year, Sixth Form pupils, alumnae and staff accompany the Catholic Association's pilgrimage to

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Lourdes, acting as handmaids to the sick, musicians to the group or supporters of the Glanfield Children's Group. Pupils also participate in the wider community through work experience such as coaching netball at a local state primary school and helping at a local nursery school. Our School choir has performed on several occasions during the year in College Chapels and Cambridge churches.

St Mary's School staff continue to support wider education programmes in which time is given for free. Our Head of Religious Education sits on SACRE which is a group which discusses and develops the teaching of Religious Education in secondary schools. The Religious Education Department regularly welcomes prospective school chaplains to observe or gain experience in our classes. The Headmistress and the Head of Language and Learning are trained Inspectors and undertake annual inspections on behalf of the Independent Schools Inspectorate (ISI). A member of staff from the English Department volunteered for the charity Love Russia, teaching English and Drama, among other things, to Russian orphans in Estonia as well as volunteering at a holiday club run by the Portsmouth Diocese, writing and directing a play.

Partnership with the parish is enhanced by teachers' involvement in parish life. A number are involved in singing in the Choir at Our Lady and the English Martyrs (OLEM), playing at Handicapped Children's Masses, Eucharistic ministry, helping to run one of the Adult Education programmes at OLEM, called ABC 'About Being Catholic', Catechesis (First communion and Rite of Christian Initiation of Adults RCIA), and delivering confirmation classes which are held in School. Our Head of Religious Education co-ordinates and supervises over 50 parish altar servers for OLEM and its satellite churches, the majority being boys, girls, and young men and women in local primary and secondary, state and independent schools. He is also responsible for coordinating availability and constructing rotas for Sunday and other services, organising training and written materials, communication with parents and occasional social events. St Mary's School continues to be involved in supporting our local Catholic parish of OLEM with its food bank initiative with each year group allocated a month for them to bring in their food donations. Other local parishes are supported by staff who help to run crèches and support Sunday Schools.

Other staff at St Mary's School contribute significantly to the wider community. We have three teachers, including the Headmistress, who are governors for local state primary and secondary schools. Another member of staff is a panel member with Cambridgeshire Youth Offending Service and a member of the Independent Monitoring Board at HMP Highpoint. One teacher is closely involved with the City of Cambridge Swimming Club as their designated welfare officer and another teacher is a Director and Trustee of the Bodyworks Performing Arts organization in Cambridge, itself having charitable status. One of the school nurses is a volunteer athletics coach at the Cambridge and Coleridge Athletics club, another member of staff volunteered at the Olympics and a further member of staff spent some time over the summer helping with the upkeep of grounds at the RDA (Riding for the Disabled) in Willington. As a School we continue to work most effectively as a founding member of CCFSG and a popular opportunity for community cohesion continues to be our Classical Greek lessons which involves pupils from both St Bede's, Chesterton Community College and St Mary's.

The Junior School continues to widen its links with the local community. Junior School pupils, parents and staff were joined by pupils, parents and staff from both a local primary school and St Mary's Senior School as well as a community adult choir, in a very successful musical community partnership project which resulted in a performance of John Rutter's Mass of the Children. The project provided both pupils and adults with exciting new experiences, bringing together communities within our local area to enjoy music-making together, building self-esteem and boosting their confidence, whether adult or child. Another musical community activity involved the Junior School Chamber Choir who supported and led the singing at the Mass for the Schools' Commissions of England and Wales.

The Junior School has undertaken to maintain its links with the local community. Residents from the Chaucer Road area were invited to the PTA Christmas Carols and Mince Pies Concert and another concert presented by the scholars. Links have been maintained with local Nurseries, with staff and children invited to watch our Harvest Assembly and the Key Stage 1 Christmas play. The Junior School Reception class went to a Teddy Bears' Picnic as the guests of one of the local nurseries.

The money raised by the Junior School Christmas Carol Concert supports the local branch of the St Vincent de

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Paul Society The proceeds from the Harvest Festival produce and cake sale go in part to the education and care of a child in Ethiopia, who has been sponsored over several years. The school receives regular updates on her progress and photographs of her. The children provide gifts at Christmas for the patients of the Sue Ryder Foundation in Peterborough. Funds have been raised this year for Sports for School and Sports Limited, the proceeds of these one-off events are allocated jointly towards sponsoring an Olympic athlete and purchasing some sporting equipment for School. In addition, the junior school girls raised funds for Breast Cancer Awareness by taking part in the Fun Run, and for Marie-Curie through their Pot of Joy scheme, planting daffodil bulbs and then getting donations from the parents. The girls have also completed a sponsored Readathon for Click Sargent Children's Cancer Charity and the Roald Dahl Foundation.

The school runs a local branch of Girl Guides, using the Senior School as its venue, and invites students from local secondary schools to carry out work experience.

ACHIEVEMENTS AND PERFORMANCE

a. 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 466 pupils, 80 of them being boarders, and the Junior School averaged 171 pupils. There are waiting lists for some year groups, and there is every indication that numbers will remain strong in the future.

b. Academic Performance of the School

Once again pupils at St Mary's School were able to celebrate excellent public examination results. We are delighted to have raised our A* and A grades at A-level by a significant 5% with 65% of A-levels being awarded at A* and A grade in 2012, compared 60% in 2011. A* grades were awarded for 30% of the overall examination grades and 35% of the results were at A grade. A very pleasing 53% of our pupils were awarded three or more A*-A grades with 42% gaining straight A*-A grades. 33% of the cohort were awarded two or more A* grades. As the only all-girls' Sixth Form in Cambridge, St Mary's continued to buck national trends in both Maths and Sciences with 71% of our pupils achieving an A* in Maths and 50% achieving an A* in Further Maths. 93% of our pupils achieved A*/A in Chemistry, 88% in Physics and 75% in Biology. Our pupils also excelled in creative subjects with 70% of our A-level Art and Design, Photography and Textiles pupils being awarded an A* grade. In our first year of offering the Extended Project Qualification (EPQ) all pupils achieved the award, with 92% of the grades awarded being A* to B. We were also delighted with particularly strong AS results in the Humanities subjects (English Literature, History, Politics, Geography and Religious Studies) in which 100% of all pupils achieved A* to B grades.

In a year when there has been a national decrease in pupils being awarded the top grades at GCSE level, we were delighted to have seen a significant rise in the % of A* and A grades gained. Most impressive was the 7% increase in the number of A* grades achieved, as well as the 4% increase overall in A* and A grades combined. This equated to 73.3% of our GCSE grades being awarded at A* or A, 34% being awarded at A* and 39% at A. More than a third of St Mary's girls received nine or more A* and A grades in their GCSEs. Three girls were awarded 11 straight A* grades and two others were awarded 10 straight A* grades. Our results were strong across the range of subjects. In the Arts 91% of our Music results, 83% of our Textiles results and 81% of our Art results were awarded A* or A. Our humanities results were equally as strong with 85% of our History grades awarded A* to A grade. Languages enjoyed success with 76% of our French results and 74% of our Latin results at A* to A. As a Catholic school we expect to perform well in Religious Studies and this year we exceeded expectations with 79% of our GCSE Religious Studies students achieving A* to A grades. We continue to be strong in Science and Mathematics with 91% of our Biology grades, 85% of our Physics grades and 81% of our Chemistry grades being awarded A* to A. 73% of our Mathematics grades and 79% of our Statistics grades were also awarded at A* to A.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Given our relatively wide range of ability at intake, such results reflect the value-added that we are able to achieve and are an accolade both to the hard work of the pupils and the exceptional level of tuition and support offered by their teachers at St Mary's

The Arts departments continue to flourish and go from strength to strength. In May 2012 St Mary's Senior School was awarded the prestigious Artsmark Gold Award in recognition of the School's commitment to, and excellence in, arts education. The award recognises the real commitment St Mary's School has made in providing top quality dance, drama, music, art and design opportunities for its pupils. This year, as well as continuing with the usual mix of large-scale concerts and chamber concerts, the Music Department introduced its inaugural Piano Festival Competition which was a great success. The Drama Department encouraged as many pupils as possible to be a part of their production of 'Rainbow's Ending', whether on stage or behind the scenes and in September Year 9 pupils and older Drama students enjoyed the Theatre Centre Performance of 'Under a Foreign Sky' which was followed by a workshop in school. In January Year 7 pupils enjoyed performing a play celebrating the life of Charles Dickens written by two English teachers to celebrate the bicentenary of Charles Dickens's birth.

Many pupils continue to enjoy both music peripatetic lessons and Speech and Drama lessons in School. Individual success in the arts is common and our pupils contribute to the work of the The National Youth Choirs, the National Youth Ballet and the National Youth Theatre. A Year 10 student won first place in the Lighthouse Writing Competition with a Year 11 student as runner-up in second place. A Year 9 pupil attended the Local Finals for the Eastern Region in the Futurechef competition and one of our Upper Sixth Form boarders was one of three finalists in the AXA Ambition Awards in the UK. This initiative, set up by AXA, is to find the most ambitious and dedicated 11-18 year olds in the UK in categories such as science, art, community, enterprise and sports. Her field was charity and community work. Two teams of Year 9 pupils represented St Mary's in the Rotary Club Technology Tournament and the high level of co-operation and communication resulted in our teams jointly winning the award for 'Teamwork'. Pupils from both the Junior School and the Senior School have continued to participate in various local events, University events and the National Mathematical Challenge. A group of lower school pupils participated in the ScienceXchange project alongside other local schools and Cambridge University Departments, which involved designing and building a component of a machine.

The timetable of events in School is full and varied, whether they are extra-curricular such as the International Food Fair, the Dance Show or the Speech and Drama Showcase, or whether the events are linked to the curriculum. The Year 8 Bridge Building workshop gave the pupils hands-on experience of engineering and the English Poetry Day cross-curricular project gave pupils in Years 6 and 7 the opportunity to explore the theme of "Journeys" through film making, music, newspaper production, drama and novel writing. Year 7 pupils also explored the mathematical magic of the Enigma Machine and Year 5 pupils enjoyed a day devoted to Science and Technology in the Senior School.

All pupils have opportunities to access a full calendar of trips and visits during the year, locally, nationally and overseas. There are many theatre visits for all year groups within Cambridge and pupils enjoy going further afield to the West End and to Stratford-upon-Avon to see productions such as 'Wicked' and 'Macbeth'. Visits to galleries are frequent, with opportunities to visit many of the great galleries and museums in London, including The Tate Modern and The Victoria and Albert Museum. Curriculum-based trips see the pupils venturing to places such as Sutton Hoo, The Chilterns, Verulamium, The Black Country Museum and the Imperial War Museum. Residential trips are popular, whether that is camping on the Duke of Edinburgh expeditions, exploring the world famous particle physics research centre in CERN, visiting the Christmas markets in Lille, enjoying Geography field trips on the Norfolk, Suffolk and Dorset coastlines or the English Sixth Form Reading weekend in Stratford. Residential trips abroad are numerous and varied and include the Year 11 trip to the Battlefields, the Sixth Form trip to Reims and Versailles, the Classics trip to Sicily, the Spanish study trip to Salamanca and the German and French exchange programmes. The Sixth Form delegates who took part in the Model United Nations Conference at Alfrink College in the Netherlands had a unique opportunity to experience another culture, take part in thought-provoking discussions and make new friends.

The Junior School pupils enjoyed trips to local theatre venues, museums including the Imperial War Museum

ST MARY'S SCHOOL CAMBRIDGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

and the Cambridge and County Folk Museum as well as historical locations such as Wimpole Hall. The pupils also enjoyed residential experiences further afield with an outwards-bounds activity holiday in Cornwall and an exciting stay in Jersey.

Links with Cambridge University continue to grow and our Year 12 Physicists have enjoyed lectures and workshops at the Engineering Faculty and the whole of Year 10 visited the Physics Department at Cambridge University for the 'Physics at Work' Exhibition in September. The pupils found having the opportunity to gain first-hand experience of many applications of Physics in research and industry a very enriching experience. Members of St Mary's VetSoc were invited to the Cambridge University farm to learn about the role of vets in the farm yard setting and Upper Sixth pupils visited the Museum of Classical Archaeology in the Faculty of Classics. A group of Year 12 Economists successfully participated in the prestigious BASE-ICAEW's National Business Game Competition at Fitzwilliam College. The judges were very impressed by the high level of team-work and problem-solving skills, as well as their financial capability.

This year our Year 12 Young Enterprise Team have again been very successful. Participating in the County Final at Robinson College, the team won the award for 'Best Teamwork' to add to their previous award for Best Company (Cambridge).

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. The 'Girls Go Gold' conference at Edgbaston High School for Girls in Birmingham provided an opportunity for some of our sportswomen in Year 11 and the Sixth Form to meet and be inspired by Dame Kelly Holmes and Baroness Sue Campbell. Many of our teams have had success at District and County level, together with a large number of individual selections to represent the County. Indeed, our U14 Netball team were crowned County Netball Champions this year. Our Year 9 Athletics team took first place in the District Athletics Olympic Cup. Rowers participate in many competitions, locally and in London and are very successful indeed as are our talented cross-country runners. In March we held our second Sports Achievement Awards Evening at which multiple accolades were given to our many talented teams and players. Individual students continue to be highly successful in their chosen sport, whether that is achieving Young Sports Karate person of the Year or achieving highly in County Cross Country Championships. One of our Upper Sixth Sports Captains was even given the honour of being a London 2012 Olympic Torchbearer. 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.

The boarding community is a busy one and the pupils enjoy a range of trips out and about, for example cinema trips, punting in Cambridge, Fireworks displays, visits to the theatre to see productions such as *La Traviata*, musical concerts as well as the popular shopping trip to Bicester Designer Outlet Village and the trip to the Museum of Textiles and Fashion in London. In school, boarders have enjoyed Beginners Yoga and many of them have thoroughly enjoyed joining the newly initiated Golf Club for Boarders. In School, the boarders performed magnificently in their annual Boarders' Concert, raising funds in aid of the National Deaf Children's Society. The Boarders' Concert epitomises what is so good about the boarding experience: collaboration across the year groups, a community event, commitment, confidence and discovering hidden talents. The international dimension of our school was further celebrated through the organisation of a magnificent International Food Fair by our International Committee.

c. Alumnus Outreach

During 2011-2012 the Pastonians organised some new events to re-invigorate the alumnae of St Mary's. In September 2011 the Pastonians Alumnae Society hosted a luncheon and welcomed Rosemary Shrager, a talented and versatile chef, as the guest speaker. Following that in January 2012 the Pastonians hosted a Frock Swap event with proceeds going towards the Arthur Rank Hospice Charity.

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.

ST MARY'S SCHOOL CAMBRIDGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

a. Results

The total incoming resources in 2012 were £9,268,727 compared to £9,491,972 in 2011

Net incoming resources before transfers in 2012 were £842,670 compared to £1,606,872 in 2011. The reduction in 2012 was affected by higher spending on resources met from funds generated.

The Balance Sheet net assets of the Group have increased from £8,003,247 in 2011 to £8,857,626 in 2012. Fixed assets consist of the Freehold Property at 47, Bateman Street, the Leasehold Property at 6 Chaucer Road and improvements to the leasehold properties that makes up the main School buildings, 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 satisfactory.

b. Reserves Policy

The reserves of the Group total £8,857,626 (2011 £8,003,247). This is made up of £5,038,885 (2011 £5,042,519) representing expenditure on freehold and leasehold property less accumulated depreciation and amortisation, £2,490,761 (2011 £1,758,761) set aside in the Designated Fund to help meet the costs of future developments in School, the scholarship fund £294,690 (2011 £172,981) representing investments set aside to produce income and capital growth to provide scholarships for students, and the balance of £1,033,290 (2011 £1,028,986) comprising free reserves. The balance of £2,490,761 in the Development Fund is after a transfer to the Capital Fund in respect of the acquisition of the leasehold property at Chaucer Road, and a transfer of £732,000 from the accumulated fund.

Unrestricted funds as at 31st August 2012 total £8,562,936 (2011 £7,830,266), 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 £5,882,000.

c. 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. There was a small improvement in the valuation of Charity's Managed Investment Fund, which is pleasing 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.

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

ST MARY'S SCHOOL CAMBRIDGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

regarded We are delighted that during 2011-2012 the refurbishment of the Junior School Key Stage 1 facility at Chaucer Road was completed and all Junior School pupils are situated there from September 2012

Now that the Junior School has vacated Number 2 Brookside, work has started on totally refurbishing the building as the new Sixth Form Centre to open in the Spring Term 2013 This will include a full re-wiring to allow the building to be used effectively as a modern learning environment This refurbishment will be the key focus in 2012-2013 We can then also make clear plans to re-instate the Chapel, a key focal point of the School, by Easter 2013 and to refurbish the Elms building Internal projects such as classroom refurbishments and a redesign of public spaces are also in the planning stages for 2012-2014

The contributions made by the School to local, national and international communities, including the CCFSG and external charity fundraising, are constantly under review and the Governors continue to support and encourage such initiatives

The Governors continue to be committed to maintaining 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 law requires the Governors to prepare financial statements for each financial year 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period In preparing these financial statements, the Trustees are required to

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that


- so far as that Governors is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governors in order to be

ST MARY'S SCHOOL CAMBRIDGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information

This report was approved by the Trustees on and signed on their behalf by



D Askew
Secretary

Date: 16th April 2013

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY'S SCHOOL CAMBRIDGE

We have audited the financial statements of St Mary's School Cambridge for the year ended 31 August 2012 set out on pages 17 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable school'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 school's members those matters we are required to state to them in an Auditors' 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 school and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable school for the purposes 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 group's and the parent school's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable school's affairs as at 31 August 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST MARY'S SCHOOL CAMBRIDGE

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

- the parent charitable school has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable school financial statements are not in agreement with the accounting records and returns, 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

Roger Guthrie (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accounts
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
23 April 2013

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2012

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Donations		120,000	2,233	122,233	454
Activities for generating funds		-	262,565	262,565	272,470
Investment income		5,506	79,937	85,443	42,560
Incoming resources from charitable activities		-	8,803,992	8,803,992	9,176,488
TOTAL INCOMING RESOURCES		125,506	9,148,727	9,274,233	9,491,972
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising expenses and other costs		-	89,667	89,667	99,447
Charitable activities		10,000	8,269,811	8,279,811	7,730,223
Governance costs	3	-	56,579	56,579	55,430
TOTAL RESOURCES EXPENDED	2	10,000	8,416,057	8,426,057	7,885,100
NET INCOMING RESOURCES BEFORE REVALUATIONS		115,506	732,670	848,176	1,606,872
Gains and losses on revaluations of investment assets		6,203	-	6,203	16,140
NET MOVEMENT IN FUNDS FOR THE YEAR		121,709	732,670	854,379	1,623,012
Total funds at 1 September 2011		172,981	7,830,266	8,003,247	6,380,235
TOTAL FUNDS AT 31 AUGUST 2012		294,690	8,562,936	8,857,626	8,003,247

All activities relate to continuing operations

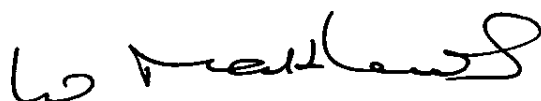
The notes on pages 21 to 35 form part of these financial statements

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01840431

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	8		5,789,032		5,832,779
Investments	7		170,975		159,266
			5,960,007		5,992,045
CURRENT ASSETS					
Stocks		49,784		57,072	
Debtors	9	132,057		117,754	
Cash at bank and in hand		5,570,200		4,441,878	
		5,752,041		4,616,704	
CREDITORS: amounts falling due within one year	10	(2,092,471)		(1,998,630)	
NET CURRENT ASSETS			3,659,570		2,618,074
TOTAL ASSETS LESS CURRENT LIABILITIES			9,619,577		8,610,119
CREDITORS: amounts falling due after more than one year	11		(761,951)		(606,872)
NET ASSETS			8,857,626		8,003,247
CHARITY FUNDS					
Restricted funds	12		294,690		172,981
Unrestricted funds	12		8,562,936		7,830,266
TOTAL FUNDS			8,857,626		8,003,247

The financial statements were approved by the Trustees on 16th April 2013 and signed on their behalf, by



W Matthews

The notes on pages 21 to 35 form part of these financial statements

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01840431

SCHOOL BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	8		5,789,032	5,832,779
Investments	7		170,977	159,268
			<u>5,960,009</u>	<u>5,992,047</u>
CURRENT ASSETS				
Debtors	9	131,968	119,981	
Cash at bank		5,570,145	4,441,823	
		<u>5,702,113</u>	<u>4,561,804</u>	
CREDITORS: amounts falling due within one year	10	(2,060,966)	(1,962,153)	
NET CURRENT ASSETS			<u>3,641,147</u>	<u>2,599,651</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,601,156</u>	<u>8,591,698</u>
CREDITORS: amounts falling due after more than one year	11		(761,951)	(606,872)
NET ASSETS			<u>8,839,205</u>	<u>7,984,826</u>
CHARITY FUNDS				
Restricted funds	12		294,690	172,981
Unrestricted funds	12		8,544,515	7,811,845
TOTAL FUNDS			<u>8,839,205</u>	<u>7,984,826</u>

The financial statements were approved by the Trustees on 16th April 2013 and signed on their behalf, by



W Matthews

The notes on pages 21 to 35 form part of these financial statements

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	14	1,488,957	1,918,137
Capital expenditure and financial investment	15	(350,738)	(4,170,618)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,138,219	(2,252,481)
Financing	15	(10,679)	(9,751)
INCREASE/(DECREASE) IN CASH IN THE YEAR		1,127,540	(2,262,232)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2012**

	2012 £	2011 £
Increase/(Decrease) in cash in the year	1,127,540	(2,262,232)
Cash outflow from decrease in debt and lease financing	10,679	9,751
MOVEMENT IN NET FUNDS IN THE YEAR	1,138,219	(2,252,481)
Net funds at 1 September 2011	4,283,445	6,535,926
NET FUNDS AT 31 AUGUST 2012	5,421,664	4,283,445

The notes on pages 21 to 35 form part of these financial statements

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared 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 Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the school and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the school alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Company status

The school is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the school being wound up, the liability in respect of the guarantee is limited to £1 per member of the school.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the school and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the school for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the school is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
L/Term Leasehold Property	-	Over the period of the lease or 50 years if less
Motor vehicles	-	25% on cost
Fixtures & fittings	-	20% on cost
Computer equipment	-	25% on cost

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 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 that they are incurred.

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

2. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Fundraising expenses	13,789	-	75,878	89,667	99,447
Costs of generating funds	13,789	-	75,878	89,667	99,447
Education and welfare	4,431,234	-	887,896	5,319,130	5,152,689
Establishment and premises	336,810	-	1,204,978	1,541,788	1,386,157
Support costs of schooling	494,584	394,485	529,824	1,418,893	1,191,377
Charitable activities	5,262,628	394,485	2,622,698	8,279,811	7,730,223
Governance	45,679	-	10,900	56,579	55,430
	5,322,096	394,485	2,709,476	8,426,057	7,885,100

3. GOVERNANCE COSTS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Auditors' remuneration	-	10,900	10,900	10,500
Wages and salaries	-	45,679	45,679	44,930
	-	56,579	56,579	55,430

4 NET INCOMING RESOURCES

This is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the charitable group	394,485	270,226
Auditors' remuneration	10,900	10,500

During the year, no Trustees received any remuneration (2011 - £NIL)

During the year, no Trustees received any benefits in kind (2011 - £NIL)

During the year, no Trustees received any reimbursement of expenses (2011 - £NIL)

ST MARY'S SCHOOL CAMBRIDGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

5. STAFF COSTS

Staff costs were as follows

	2012 £	2011 £
Wages and salaries	4,477,504	4,420,935
Social security costs	369,249	346,593
Other pension costs	475,343	454,442
	<u>5,322,096</u>	<u>5,221,970</u>

The average monthly number of employees during the Year was as follows

	2012 No.	2011 No.
Education & welfare	95	96
Administration	15	15
Establishment	25	26
Trading	1	1
	<u>136</u>	<u>138</u>

The number of higher paid employees was

	2012 No.	2011 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	0
	<u>3</u>	<u>3</u>

6. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

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

ST MARY'S SCHOOL CAMBRIDGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

6 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES (continued)

PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Turnover	104,121	108,630
Cost of sales	(84,597)	(95,340)
Gross profit	19,524	13,290
Administration expenses	(5,070)	(4,107)
	14,454	9,183
Interest receivable	-	-
Amount gifted to St Mary's School	(14,454)	(9,183)
	-	-
Retained in subsidiary	-	-

7. INVESTMENTS

	2012 Cost £	2012 Market Value £	2011 Cost £	2011 Market Value £
Total listed investments	130,615	160,676	128,362	155,190
Uninvested cash	10,299	10,299	4,076	4,076
Total for group	140,914	170,975	132,438	159,266
Investment in subsidiary undertaking	2	2	2	2
Total	140,916	170,977	132,440	159,268

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. St Mary's Junior School Limited was dormant for the year ended 31 August 2012 (2011 Dormant).

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**NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENTS (continued)

MOVEMENT ON LISTED INVESTMENTS

	2012 £	2011 £
Market value at beginning of year	155,190	139,222
Additions in year	10,703	15,600
Disposals in year - opening market value	(11,420)	(11,850)
Net gain on revaluation	6,203	12,218
	<u>160,676</u>	<u>155,190</u>
Market value at end of year	<u>160,676</u>	<u>155,190</u>

As at the 31 August 2012 90% (2011 - 89%) was held in UK based equities and fixed interest bonds

8. TANGIBLE FIXED ASSETS

Group and School	Freehold property £	L/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 September 2011	557,406	5,139,014	114,792	2,202,208	8,013,420
Additions	-	127,282	-	223,456	350,738
Disposals	-	-	(16,994)	-	(16,994)
At 31 August 2012	<u>557,406</u>	<u>5,266,296</u>	<u>97,798</u>	<u>2,425,664</u>	<u>8,347,164</u>
Depreciation					
At 1 September 2011	96,000	557,901	90,670	1,436,070	2,180,641
Charge for the Year	8,000	122,916	13,503	250,066	394,485
On disposals	-	-	(16,994)	-	(16,994)
At 31 August 2012	<u>104,000</u>	<u>680,817</u>	<u>87,179</u>	<u>1,686,136</u>	<u>2,558,132</u>
Net book value					
At 31 August 2012	<u>453,406</u>	<u>4,585,479</u>	<u>10,619</u>	<u>739,528</u>	<u>5,789,032</u>
At 31 August 2011	<u>461,406</u>	<u>4,581,113</u>	<u>24,122</u>	<u>766,138</u>	<u>5,832,779</u>

ST MARY'S SCHOOL CAMBRIDGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

9. DEBTORS

	Group		School	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	45,622	22,675	45,622	22,675
Amounts owed by group undertakings	-	-	-	2,227
Other debtors	89	-	-	-
Prepayments and accrued income	86,346	95,079	86,346	95,079
	132,057	117,754	131,968	119,981

10. CREDITORS:
Amounts falling due within one year

	Group		School	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	30,963	29,254	11,606	10,679
School fees in advance	933,232	735,079	933,232	735,079
Amounts owed to group undertakings	-	-	14,685	8,421
Social security and other taxes	137,860	115,053	130,603	107,093
Deposits	308,442	291,354	308,442	291,354
Other creditors	503,120	618,941	486,960	602,578
Accruals and deferred income	178,854	208,949	175,438	206,949
	2,092,471	1,998,630	2,060,966	1,962,153

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**NOTES TO THE FINANCIAL STATEMENTS
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11. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>School</u>	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	117,573	129,179	117,573	129,179
Deposits	644,378	477,693	644,378	477,693
	<u>761,951</u>	<u>606,872</u>	<u>761,951</u>	<u>606,872</u>

Included within the above are amounts falling due as follows

	<u>Group</u>		<u>School</u>	
	2012	2011	2012	2011
	£	£	£	£
Between one and two years				
Bank loans	12,534	11,606	12,534	11,606
	<u>12,534</u>	<u>11,606</u>	<u>12,534</u>	<u>11,606</u>
Between two and five years				
Bank loans	29,412	35,324	29,412	35,324
	<u>29,412</u>	<u>35,324</u>	<u>29,412</u>	<u>35,324</u>
Over five years				
Bank loans	75,627	82,249	75,627	82,249
	<u>75,627</u>	<u>82,249</u>	<u>75,627</u>	<u>82,249</u>

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>School</u>	
	2012	2011	2012	2011
	£	£	£	£
Repayable by instalments	75,627	82,249	75,627	82,249
	<u>75,627</u>	<u>82,249</u>	<u>75,627</u>	<u>82,249</u>

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

12. STATEMENT OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/(Losses)	Carried Forward
	£	£	£	£	£	£
Designated funds						
Capital reserve	5,042,519	-	-	(3,634)	-	5,038,885
Development fund	1,758,761	-	-	732,000	-	2,490,761
	<u>6,801,280</u>	<u>-</u>	<u>-</u>	<u>728,366</u>	<u>-</u>	<u>7,529,646</u>

ST MARY'S SCHOOL CAMBRIDGE
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NOTES TO THE FINANCIAL STATEMENTS
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12. STATEMENT OF FUNDS (continued)

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds						
Accumulated fund	1,028,986	9,148,727	(8,416,057)	(728,366)	-	1,033,290
Total Unrestricted funds	7,830,266	9,148,727	(8,416,057)	-	-	8,562,936
Restricted funds						
Scholarship and bursary fund	172,981	5,506	-	-	6,203	184,690
Bursary fund	-	100,000	-	-	-	100,000
Sensory garden fund	-	10,000	(10,000)	-	-	-
Carrels fund	-	10,000	-	-	-	10,000
	172,981	125,506	(10,000)	-	6,203	294,690
Total of funds	8,003,247	9,274,233	(8,426,057)	-	6,203	8,857,626

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NOTES TO THE FINANCIAL STATEMENTS
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12. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	6,801,280	-	-	728,366	-	7,529,646
General funds	1,028,986	9,148,727	(8,416,057)	(728,366)	-	1,033,290
	<u>7,830,266</u>	<u>9,148,727</u>	<u>(8,416,057)</u>	<u>-</u>	<u>-</u>	<u>8,562,936</u>
Restricted funds	172,981	125,506	(10,000)	-	6,203	294,690
	<u>8,003,247</u>	<u>9,274,233</u>	<u>(8,426,057)</u>	<u>-</u>	<u>6,203</u>	<u>8,857,626</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Tangible fixed assets	-	5,789,032	5,789,032	5,832,779
Fixed asset investments	170,975	-	170,975	159,266
Current assets	123,715	5,628,326	5,752,041	4,616,704
Creditors due within one year	-	(2,092,471)	(2,092,471)	(1,998,630)
Creditors due in more than one year	-	(761,951)	(761,951)	(606,872)
	<u>294,690</u>	<u>8,562,936</u>	<u>8,857,626</u>	<u>8,003,247</u>

14. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Net incoming resources before revaluations	848,176	1,606,872
Income from investment portfolio	(5,506)	-
Depreciation of tangible fixed assets	394,485	270,226
Decrease/(increase) in stocks	7,288	(1,639)
(Increase)/decrease in debtors	(14,303)	6,628
Increase in creditors	258,817	36,050
Net cash inflow from operations	<u>1,488,957</u>	<u>1,918,137</u>

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15 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(350,738)</u>	<u>(4,170,618)</u>
	2012 £	2011 £
Financing		
Repayment of other loans	<u>(10,679)</u>	<u>(9,751)</u>

16. ANALYSIS OF CHANGES IN NET DEBT

	1 September 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand	4,441,878	1,128,322	-	5,570,200
Bank overdraft	(18,575)	(782)	-	(19,357)
	<u>4,423,303</u>	<u>1,127,540</u>	<u>-</u>	<u>5,550,843</u>
Debt:				
Debts due within one year	(10,679)	(927)	-	(11,606)
Debts falling due after more than one year	(129,179)	11,606	-	(117,573)
	<u>4,283,445</u>	<u>1,138,219</u>	<u>-</u>	<u>5,421,664</u>

17. PENSION COMMITMENTS

(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 ('the scheme'), which is a funded multi-employer defined benefit scheme. The Scheme is contracted-out of the State scheme.

There are three benefit structures available, namely

- 1 Final salary with a 1/60th accrual rate
- 2 Final salary with a 1/80th accrual rate
- 3 Career average revalued earnings with a 1/80th accrual rate

An employer can elect to operate different benefit structures for different categories of staff

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NOTES TO THE FINANCIAL STATEMENTS
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17. PENSION COMMITMENTS (continued)

The Company has elected to operate the final salary with a 1/60th accrual benefit structure for active members and new entrants

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period, the Company paid a joint contribution rate of 24.5% comprising employer contributions of 17.5% and member contributions of 7%.

At the balance sheet date, there were 9 active members of the scheme employed by the Company. The Company continues to offer membership of the scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £77.4 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £25.3 million, equivalent to a past service funding level of 75.4%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the scheme to £111.9 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £28.5 million, equivalent to a past service funding level of 79.7%. Annual funding updates of the Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However, they will provide a good indication of the financial progress of the scheme since the last full valuation.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation, the following notes relate to the formal actuarial valuation as at 30 September 2008.

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NOTES TO THE FINANCIAL STATEMENTS
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17. PENSION COMMITMENTS (continued)

The financial assumptions underlying the valuation as at 30 September 2008 were as follows

	% pa
Investment return pre retirement	7.6
Investment return post retirement - non pensioner	5.2
Investment return post retirement - pensioner	5.7
Rate of salary increase	3.7
Pension increases	
Limited price indexation (5% cap)	3.0
Limited price indexation (3% cap)	2.6
Limited price indexation (2.5% cap)	2.3
Rate of price inflation	3.2

The valuation was carried out using the SAPS (Self Administered Pension Schemes) all pensioners, year of birth, mortality table using the Long Cohort projection with a minimum 1% p a improvement. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions

	Males	Females
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non - pensioners	24.4	27.0
Pensioners	22.3	25.0

The long term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60th accrual rate	20.6
Final salary with a 1/80th accrual rate	16.3
Career average revalued earnings with a 1/80th accrual rate	Employer 10.0 Member Age-related (age divided by 10)

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £25.3 million would be dealt with by the payment of deficit contributions of 3.9% of pensionable salaries from 1 September 2010 to 31 March 2018 (3.5% for the Career Average Revalued Earnings benefit structure). These deficit contributions are in addition to the long-term joint contribution rates set out in the table above.

The employer and employee contribution rates for the company are 17.5% and 7% of pensionable salaries respectively.

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17. PENSION COMMITMENTS (continued)

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate)

Employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 5.0% to reflect the higher costs of a closed arrangement

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into The Independent Schools' Pension Scheme

New employers joining the Scheme pay contributions at the joint future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the Scheme, at which point the standard employer contribution rate is payable

New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between The Independent Schools' Pension Scheme Pensions Committee and the Scheme Actuary

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an ongoing funding basis, by 31 March 2018

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). In relation to the 30 September 2008 valuation, the Regulator has confirmed that he does not intend to take any Scheme Funding Action

The actuarial valuation at 30 September 2011 is currently in progress. The results of the 2011 valuation will be included in next year's accounting disclosure note

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

17. PENSION COMMITMENTS (continued)

therefore be volatile over time

The Company has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the Scheme as at 30 September 2011. As of this date the estimated employer debt for the Company was £1,003,168

(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 £475,343 (2011 - £454,442). Contributions totalling £64,321 (2011 - £59,214) were payable to the funds at the year-end and are included in creditors

18. OPERATING LEASE COMMITMENTS

At 31 August 2012 the group had annual commitments under non-cancellable operating leases as follows

Group and School	Land and buildings		2012 £	Other 2011 £
	2012 £	2011 £		
Expiry date:				
After more than 5 years	<u>259,460</u>	<u>259,460</u>	<u>-</u>	<u>-</u>

19. RELATED PARTY TRANSACTIONS

Colin Jones is a Governor at St Mary's School, Cambridge, and also a partner at Hewitsons. During the year, transactions with Hewitsons amounted to £6,307 (2011 - £7,498)