

Bruton School for Girls

Annual report and financial statements
for the year ended 31 August 2010

Registered Company Number: 4094352

Registered Charity Number: 1085577

Bruton School for Girls

Annual report and financial statements for the year ended 31 August 2010

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Patron, Governors, directors, officers and advisers

Patron

Lady Gass, Lord-Lieutenant of Somerset

Governors and directors

Mr D H C Batten *

Captain L W L Chelton RN

Mrs C A Davidson BA

Mr H L Davies CMG BA

Mr A S Durward *

Mr D J C Hindley JP MA

Mrs G Hylson-Smith *

Mrs K N Jack

Mr N D Jefferis BSc MBA

Lady Reith

Mr M J C Streatfeild *

Prof M J Welham PhD

Miss E R Webbe LLB TEP (Appointed 16 March 2010)

Chairman of Governors

Mr D H C Batten

* denotes membership of the Finance & General Purposes Committee.

In accordance with paragraph 29 of the School's Articles of Association, at the Annual General Meeting held on 8 December 2009, the following Governors retired by rotation and were subsequently re-elected at the same meeting:

Lady Reith

Mrs G Hylson-Smith

Mr M J C Streatfeild

Prof M J Welham PhD

Headmaster

Mr J Burrough BA PGCE

Bursar, Clerk to the Governors & Company Secretary

Mr A H D Harvey-Kelly

Registered Office

Bruton School for Girls

Bruton

Somerset

BA10 0NT

Auditors

PricewaterhouseCoopers LLP

31 Great George Street

Bristol

BS1 5QD

Bankers

HSBC Bank Plc

1 Middle Street

Yeovil

Somerset

BA20 1LR

Solicitors

Harris & Harris

Diocesan Registry

14 Market Place

Wells

Somerset

BA5 2RE

Report of the Governors for the year ended 31 August 2010

The Governors, who are also Directors of the Company for the purpose of the Companies Act, present their annual report and the audited financial statements for the year ended 31st August 2010.

The information, with respect to Patron, Governors, Directors, Officers and Advisors set out on page 1, forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and the Charities Act 1993, as amended by the Charities Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Status

The School is a charitable Company limited by guarantee, incorporated on 23rd October 2000 (Company Registered No: 4094352) and a Charity registered with the Charity Commission (Charity Registered No: 1085577) for the advancement of education. The Memorandum and Articles of Association of the Company were last amended on 18th March 2008 to allow the appointment of Lady Gass, Lord-Lieutenant of Somerset as the School's Patron.

Organisation

The Company commenced operations on 1st September 2001, when it assumed the operations, assets and liabilities of the Charity, Bruton School for Girls Trust (Charity Registration No 310271). The property (excluding the permanent endowment of the Charity) of Bruton School for Girls Trust together with the property belonging to the Sunnyhill Trust, (which was created by a declaration of trust dated 7th May 1970), was transferred to the Company by a Scheme approved by the Charity Commission dated 21st March 2002.

The endowed property of the former Charity remains the property of the Charity (Registered No 310271) under the name of Bruton School for Girls Trust of which Bruton School for Girls (the Company) is sole trustee.

A uniting direction was issued by the Charity Commission on 10th June 2003 allowing the Bruton School for Girls Trust to be treated as forming a part of the Charity, Bruton School for Girls. No separate report is made for Bruton School for Girls Trust it being incorporated in this report.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governors

The Governors all of whom served throughout the year to 31st August 2010, and since the year-end, except where otherwise disclosed are listed on page 1.

Governance of the School

During the period under review, the Governors met at least termly and the Finance & General Purposes Committee at least twice a term. The Committee operates under specific terms of reference, which delegate certain functions from the Governing Body and the level of financial delegation is reviewed annually.

Related Charities

The Company is the sole Trustee of the Bruton School for Girls (Charity No 310271) that under the Scheme authorised by the Charities Commission on 21st March 2002 holds the endowed lands and properties thereon. These were passed on from the previous Charity of the same registered number. These lands and properties were acquired in two parts in 1912 and 1918 and as the accounts of the former Charity dated 31st August 1992 et seq indicate, all properties acquired before 1st April 1966 were written off in the year of acquisition. Accordingly no value is attributed to the present holdings of the Bruton School for Girls Trust, which has neither traded nor acquired or realised any assets during the year.

Trading Company

The School owns 100% of the Bruton Girl's School Company Limited (Company No: 3107892), which received income from letting of School properties and other trading activities. It covenants the majority of its taxable profit to the School. The results and balance sheet have not been consolidated, as they are not considered material.

Day to Day Management of the School

The day to day running of the School is delegated to the Headmaster supported by the Senior Management Team consisting of the Headmaster, two Deputy Heads, Head of the Prep School and Bursar. The Headmaster and Bursar attend all meetings of the Committees, sometimes accompanied by one other of the Senior Management Team by invitation and rotation.

Recruitment and Training of Governors

Governors are elected to the Governing Body at a meeting of the Body and are nominated on the basis of eligibility, personal competence, specialist experience and skills and availability. Before any nominations are made, the Governing Body considers the particular skill sets desirable of new Governors in order to maintain and enhance the overall skills and experience of the Body. Potential new Governors are invited to visit the School and following appointment are encouraged to make further visits early in their tenure of office. During the course of the year, a number of Governors attended seminars/conferences on aspects of the governance of independent schools.

Risk Management

In the light of Corporate Guidance contained within the Charities Statement of Recommended Practice (SORP 2005) the Governors have conducted a review of the major strategic, business and operational risks to which the School is exposed. A Risk Register has been established and the identified risks are regularly reviewed to establish that appropriate action to mitigate these is being put in hand. Each risk has been assigned a lead risk manager whose role is to co-ordinate the mitigation programme. A programme of structured risk reviews has been drawn up and is reviewed by rotation at each meeting of the Finance & General Purposes Committee.

The following statements summarise the School's policy in managing identified forms of financial risk:

Price risk: the School carries out research into fees charged in the independent school sector and incorporates this information into its business plans. The most significant price risk for expenditure is the cost of teachers' and other staff salaries, which are negotiated annually.

Credit risk: credit risk on amounts owed to the School by parents is low, as the majority of school fees are paid in advance of the provision of education.

Liquidity risk: the School has cash in hand as well as an overdraft facility to be used for short term finance, if required, together with very little bank borrowings.

Interest rate cash flow risk: the School is able to place surplus funds on short term deposit accounts.

OBJECTS, AIMS AND ACTIVITIES

Objects

The primary object of the School, as stated in its Memorandum of Association, is to carry on, manage and maintain a school for the education of girls and/or boys who have not attained the age of 8 years, to provide scholarships, bursaries and prizes to pupils of the School and to give pupils general or specialised instruction of the highest class and to provide for the board, residence and accommodation of all or any of the pupils, teachers and other staff attached to the School for the time being maintained and managed by the Charity and in addition by other associated activities for the benefit of the community.

Aims

Within these objects, the School's aim is to provide a first class independent education, both through strong academic tuition, and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

In the furtherance of these aims the School's Governors, as the charity trustees, have complied with the duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Activities

All the School's activities are focussed on meeting the objects and aims of the School and are undertaken to further the charitable purposes for the public benefit.

This year the School averaged 303 (2009: 335) pupils, excluding the nursery, of whom 103 (2009: 104) were boarders. The achievements of the School both curricula and financial are dealt with below.

Public Benefit

The School has referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The School makes a contribution to public benefit in the following ways:

- The School's charitable purpose, as defined by its objects are open and inclusionary and are "to advance education by the provision and conduct of a school or schools for the education of girls and boys (provided that such boys shall not have attained the age of eight years) and to provide scholarships, bursaries and prizes to pupils of any such school or schools and to give to such pupils general or specialised instruction of the highest class and to provide for the board, residence and accommodation of all or any of the pupils, teachers and other staff attached to any such school all schools for the time being maintained and managed by the charity and in addition by other associated activities for the benefit of the community". This is a purpose falling within section 2(2)(b) of the Charities Act 2006, ie: the advancement of education. It is a purpose for the public benefit and is therefore a charitable purpose as defined in section 2(1) of the Act.
- The School educated 317 children, including Nursery, at no cost to the taxpayer (other than the value of fiscal benefits to the taxpayer), and saves the state £2M each year.
- By providing an environment which is single sex we are providing a facility neither generally nor locally provided in the maintained sector.
- The School's fees are less than many similar schools in the region.
- The School operates a means tested scheme for Bursaries and Governors' exhibitions, to the value this year of £94k.
- The School offers a number of private benefits in the form of fee remission arrangements for non-discretionary discounts, eg sibling discount, staff discount, Forces discount.
- The School delivers outstanding academic results which are demonstrably much better than the national average.
- Within overall academic excellence, the School can demonstrate particular academic achievement in mathematics, sciences and art.
- The School is a lead centre for academic competitions in mathematics.
- The School provides for considerable non academic achievements and intangible benefits for all its pupils. And also caters for both special needs and gifted and talented children.
- The School employs well over 100 members of staff from the surrounding area.
- The School provides broader benefits to society by inducting and training academic staff and also by maintaining the gardens, grounds and buildings of the School.
- The School makes its facilities available to a number of worthy and notable organisations.
- The School is involved in an array of partnership activities with maintained sector schools most particularly local primary schools.
- The School is involved in local conservation projects.
- The School is actively engaged in charitable work in the local community in the arts and in the provision of day care.

The School maintains a Public Benefit register which is reviewed annually.

The Governors of the School consider all the benefits listed above are related to the charity's aim of advancing education.

Awards

The Governors have agreed a policy of setting aside a proportion of the School's unrestricted funds each year to provide awards to pupils in the form of scholarships, governors' exhibitions, bursaries,

services discounts and other approved schemes. Those, which are non-discretionary, are allowed on proof of eligibility and those that are discretionary are subject to approval by a working group headed by a nominated Governor. For the year to 31st August 2010, the value of these awards amounted to 7.2% of gross tuition and boarding fees receivable, compared with 6.9% in the previous year, against the Governors' target of approximately 8%. The value of future awards is expected to level out at approximately 8% in due course.

The pattern of awards has now become well established with discretionary awards falling into three categories:

- Scholarships awarded purely on academic (or music/sport) merit and having relatively low financial value.
- Bursaries awarded to provide relief to parents requiring financial assistance normally given to existing parents. These awards are means tested.
- Governors' Exhibitions awarded to worthy candidates who would not otherwise be able to attend the School through financial constraints. These awards are means tested.

The value of Scholarships varied from 0% (Honorary Scholarship) to 13% of the basic tuition fees.

The maximum Bursary was 59% of the basic tuition fees and the maximum Governors' Exhibition was 35% of the basic tuition fees.

Following the recent introduction of Governors' Exhibitions as a separate category and a reduction in staff discounts, it is to be expected that a proportion of awards will transfer from non means tested to means tested Governors' Exhibitions in the next few years.

It is the policy of the Governors to promote means tested discretionary awards over any and all other forms of award and it is hoped that in time economic conditions will allow the introduction of a number of 100% means tested awards.

ACHIEVEMENTS AND PERFORMANCE

Examination Results Summer 2010

2010 saw the first award of the new A* grade at A level, for which candidates had to gain an A grade overall (taking AS level modules into account) and at least 90 per cent of the marks in their Upper Sixth modules. The school was delighted that 16.8 per cent of its entries gained this top grade, twice the national average. The A*-B and A*-C measures were likewise impressive: 71.6 and 96.8 per cent respectively. The pass rate, for the seventh year out of eight, was 100 per cent. Advance publicity had warned of a shortage of university places but all but two of our students gained places on their chosen course, including Medicine at Cambridge and others at top universities. GCSE results were pleasing: the 'Five A*-C passes including English and Mathematics' measure was 95.6 per cent, possibly the highest the school has ever achieved, and 'Five passes at A*-C' was 100 per cent. As ever, impressive results were gained by girls of all abilities, confirming the school's reputation for academic excellence, despite not being selective.

Extra-Curricular Activities

Extra-curricular activities continue to flourish at the school. Innovations this year included a team taking part in the Three Peaks Challenge and winning the award for the best youth team, having climbed Ben Nevis, Scafell Pike and Snowdon, and travelled between them, in a shade under 20 hours. The school's team of four First Form girls reached the national finals of the Times Spelling Bee competition, finishing a creditable sixth. Form 3 girls re-gained the South Somerset Democracy Day shield, having been voted winners by the pupils of the other schools taking part, chiefly from the maintained sector. They also performed impressively in the Bruton Dragons' Den project, turning an investment from local business people into a handsome profit, which was donated to charities in the town. Drama highlights included a stunning performance after an intensive brief rehearsal period of 'Someone Who'll Watch Over Me' about the Beirut hostages by the Sixth Form Drama scholars and a hugely enjoyable outdoor performance of 'A Midsummer Night's Dream' on Magnolia Lawn. The school sponsored Somerset Art Weeks (SAW) and mounted an exhibition of local artists and school work to coincide with the SAW awards presentation ceremony, the highlight of which was a presentation and brief speech by Don McCullin, renowned photo-journalist. A successful mock election, which generated high levels of interest, was held during the General Election campaign and followed a visit to the Houses of Parliament by the Sixth Form.

Numerous other clubs, activities and visits – including, of course, sport, music and drama - continued to take place regularly or as one-off events and a high proportion of the girls was involved. Large numbers of girls participate in the Duke of Edinburgh's Award. The Leiths Food and Wine course continues to thrive in the Sixth Form and excellent results were again achieved in the English Speaking Board's Advanced Certificate in Spoken English.

General

The school continues to seek to inspire its pupils, providing a wide range of opportunities in and out of the classroom, encouraging them to be ambitious and to gain as wide and varied an experience as possible. Thus they gain self-knowledge, an appreciation of their strengths and what they enjoy, and are better able to make good decisions for themselves. They are enabled to succeed, self-confident and resilient but never arrogant.

FINANCIAL REVIEW

Overall Financial Performance

Gross fee income compared with the prior year fell by £242k (2009: £280k) as a result of the decrease in numbers offset by fee rises to £4,628k (2009: £4,870k), with total net income of £4,469k (2009: £4,733k). Total expenditure decreased/increased in line with the budget by £320k (2009: £146k). There was an increase in cash in the year of £680k.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in notes 11 and 12 to the financial statements.

Reserves

Notes 19 and 20 to the financial statements shows the assets and liabilities attributable to each fund and shows the movement in each fund. These assets are sufficient to meet the School's obligations in respect of each individual fund. Furthermore, since fees are paid in advance there is an inherent cash reserve held for most of each operating year.

The School's policy on restricted funds is separately to record donations, grants and other sources of fundraising where restrictions are imposed that are narrower than the School's overall objectives.

The majority of the assets of the School are invested in tangible fixed assets, which total £4,356k at 31st August 2010 (2009: £4,465k). The Governors' policy is based on an intention for net incoming resources to break even for the foreseeable future, with an aim to achieve a 10% investment surplus (before depreciation) of net fees. Given the current level of unrestricted funds in fixed assets, the Governors continue to monitor the School's working capital requirements and to ensure that any overdraft facility is adequate to cover any short term financing requirements. A short term cash 'reserve' of £250k has been hypothecated.

Investments powers, policy and performance

The Governing Body delegates investment powers to the Finance & General Purposes Committee. In exercising their delegated powers, the Committee's prime objective is to maintain the real value of the School's investments over the long term by investing in a mixed portfolio comprising equities, fixed income and cash. The proportions are regularly reviewed and adjusted according to market trends to achieve the objective with no more than moderate risk. Investments have performed in line with movements in UK stock markets.

PLANS FOR FUTURE PERIODS

Business Plan

The five year business plan for the School was reviewed and updated during the course of the year. The plan builds very much on the version of the previous year with the School aiming to continue to provide an attractive all round education built on the excellent academic record consistently achieved over the last decade or more. It recognises that the key factors to be managed successfully are:

- Pupil numbers,
- An appropriate pupil/teacher ratio and control of overall academic salaries

In practice the major field reviewed in the plan was pupil numbers where account has been taken of the overall decline in numbers to date and the anticipated and planned halt to this fall in due course.

The plan is based on a stabilised pupil roll (excluding nursery) being maintained over the medium term.

With detailed guidance now available from the Charity Commission about the requirements to satisfy the public benefit test, the promotion and advertisement of means tested awards in favour of others, will continue to be developed and expanded throughout the life of the plan.

The capital programme in the immediate years of the plan centres on funding a continuing rolling programme of relatively short life capital equipment, mostly connected with I.T. and in improvements to the utilities infrastructure, together with a number of minor property improvements.

The plan continues to stipulate that a balanced budget is set year on year and that the target investment surplus is 10%.

ACCOUNTING AND REPORTING RESPONSIBILITIES

Statement of Governors' Responsibilities

The governors 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).

The law applicable to charities in England & Wales requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, as amended by the Charities Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for the maintenance and integrity of the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

So far as each governor is aware, there is no relevant audit information of which the School's auditors are unaware. Each governor has taken all the steps (such as making enquires of other governors and the auditors and any other steps required by the governor's duty to exercise due care, skill and diligence) that he or she ought to have taken in his or her duty as a governor in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By Order of the Governors



A H D HARVEY - KELLY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRUTON SCHOOL FOR GIRLS

We have audited the financial statements of Bruton School for Girls for the year ended 31 August 2010 which the Statement of Financial Activities, the Note of Historical Cost Surpluses, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The Governors (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Annual 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Governors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the 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 read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Governors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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 information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2010 and of its incoming resources and application of resources, including its income

and expenditure and cash flows, 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 the Companies Act 2006; and
- the information given in the Report of the Governors is consistent with the financial statements.



Fiona Westwood (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

10 December 2010

Bruton School for Girls

Registered Company Number: 4094352

Statement of financial activities for the year ended 31 August 2010

	Notes	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2010 £	Total 2009 £
Incoming resources						
Incoming resources from generated funds:						
Donations, gifts & legacies	2	14,803	-	-	14,803	12,322
Trading income	4	79,708	-	-	79,708	103,740
Covenanted income	4	26,387	-	-	26,387	25,886
Investment income	5	7,254	13	-	7,267	21,774
Incoming resources from charitable activities:						
Fee income	3	4,295,527	-	-	4,295,527	4,536,652
Other incoming resources		45,043	-	-	45,043	32,791
Total incoming resources		4,468,722	13	-	4,468,735	4,733,165
Resources expended						
Costs of generating funds:						
Marketing and publicity		201,188	-	-	201,188	160,487
Trading expenditure	4	40,670	-	-	40,670	51,812
Charitable activities						
Costs of providing education		3,852,026	4,079	-	3,856,105	4,214,040
Governance costs		21,928	-	-	21,928	13,272
Total resources expended	6	4,115,812	4,079	-	4,119,891	4,439,611
Net incoming resources before transfers	7	352,910	(4,066)	-	348,844	293,554
Gross transfers between funds	9	95,002	-	(95,002)	-	-
Net incoming resources before other recognised gains and losses		447,912	(4,066)	(95,002)	348,844	293,554
Gains/(losses) on investment assets	12	313	-	-	313	(1,628)
Net movement in funds		448,225	(4,066)	(95,002)	349,157	291,926
Total funds brought forward		4,837,651	12,260	100,235	4,950,146	4,658,220
Total funds carried forward	19	5,285,876	8,194	5,233	5,299,303	4,950,146

There were no recognised gains or losses in either year other than those shown in the Statement of Financial Activities above.

There is no difference between the historical cost surplus and the net incoming resources before transfers shown above.

All incoming resources and resources expended are derived from continuing activities.

Bruton School for Girls

Registered Company Number: 4094352

Summary income and expenditure account for the year ended 31 August 2010

	2010	2009
	£	£
Income	4,461,468	4,711,391
Expenditure	(4,111,707)	(4,431,027)
Net surplus before interest and investment disposals	349,761	280,364
Interest payable and similar charges	(8,184)	(8,584)
Interest receivable	7,267	21,774
Net surplus of income over expenditure for the year	348,844	293,554

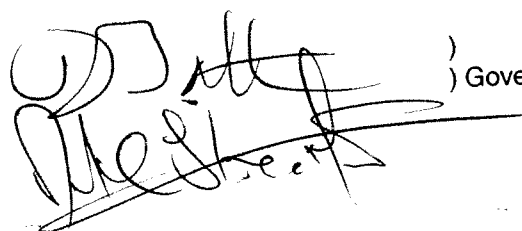
Bruton School for Girls

Registered Company Number: 4094352

Balance Sheet as at 31 August 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	11	4,356,123	4,465,354
Investments	12	36,430	132,848
		4,392,553	4,598,202
Current assets			
Stocks	13	19,078	21,177
Debtors	14	135,238	171,133
Cash at bank and in hand		1,541,072	861,126
		1,695,388	1,053,436
Creditors: amounts falling due within one year	15	(690,838)	(529,942)
		1,004,550	523,494
Net current assets			
		5,397,103	5,121,696
Total assets less current liabilities			
Creditors: amounts falling due after one year	16	(97,800)	(171,550)
		5,299,303	4,950,146
Net assets			
Capital and reserves:			
Endowed funds	19	5,233	100,235
Restricted funds	19	8,194	12,260
Unrestricted funds	19	5,285,876	4,837,651
Total funds		5,299,303	4,950,146

The financial statements on pages 10 to 29 were approved by the governors on 7 December 2010.


 } Governors

DHC BATTEN

MJC STREATFIELD

Bruton School for Girls

Registered Company Number: 4094352

Cash flow statement for the year ended 31 August 2010

	Notes	2010		2009	
		£	£	£	£
Net cash inflow from operating activities	22		730,343		341,034
Returns on investments and servicing of finance					
Interest received	5	7,267		21,774	
Investment income received	3	2,002		1,944	
Interest payable		(8,184)		(8,584)	
Total returns on investments and servicing of finance			1,085		15,134
Capital expenditure and financial investment					
Purchase of tangible fixed assets	11	(93,345)		(210,371)	
Purchase of investments	12	(3,304)		(1,852)	
Disposal of fixed asset investments	12	100,035			
Proceeds from sale of tangible fixed assets		2,276		1,499	
Total capital expenditure and financial investment			5,662		(210,724)
Cash inflow before financing			737,090		145,444
Financing					
Repayment of bank loan	23	(57,144)		(57,144)	
Total cash outflow from financing			(57,144)		(57,144)
Increase in cash in the year	23		679,946		88,300

Bruton School for Girls

Registered Company Number: 4094352

Notes to the financial statements for the year ended 31 August 2010

1 Principal accounting policies

The financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised 2005) and applicable accounting standards. The principal accounting policies are set out below.

Donations, legacies and gifts in kind

Donations and legacies are credited to revenue on a receivable basis. Legacies are accounted for on receipt of correspondence from the personal representative indicating that payment of the legacy will be made. Gifts in kind are valued at a reasonable estimate of their value to the School. Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships, and other remissions granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Advanced fees

The School offers parents the opportunity to pay tuition fees in advance in accordance with a written contract. This is treated as deferred income until the pupil joins the School whereupon the fees for each School term are charged against the remaining balance and taken to income.

Refundable deposits

Refundable deposits are deposits placed when pupils join the School which are offset against fees and disbursements due for the last term each pupil attends. All deposits are treated as deferred income and classified as creditors.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a primary purpose basis consistent with the use of the resources.

Bursaries, grants and allowances payable

Grants from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from restricted funds towards school fees at the School are treated as a reduction in those fees.

Costs of generating funds

Costs of generating funds relate to the costs of running and supporting the School's trading activities, along with the School's marketing activities.

Support costs

Support costs comprise the direct costs, including staff, attributable to School activities. These are all allocated to the one activity of the charity, the provision of education.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the

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cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

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

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.

Endowed funds are funds for which capital must be maintained in accordance with the specific restrictions imposed by the donors.

Investment income and gains are allocated to the appropriate fund.

Pension costs

The School participates in a multi employer pension scheme, the Government's Teachers' Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers Pension. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the School. Accordingly, under FRS 17 the scheme is accounted for as if it were a defined contribution scheme.

The School also participates in the Pensions Trust's Growth Plan ("PTGP"). This is a funded multi-employer pension plan. Contributions paid into the PTGP up to and including September 2001 were converted into defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the PTGP or by the purchase of an annuity.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, under FRS 17 the PTGP is accounted for as if it were a defined contribution scheme.

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight-line basis over the lease terms.

Exemption from consolidation

The School's statement of financial activities and balance sheet do not include the financial statements of the School's subsidiary undertaking, as the latter company's results and assets are not material to the group. The covenanted income due from the subsidiary company is recorded as income in the School's statement of financial activities. The School's subsidiary undertaking has prepared its own statutory financial statements.

Tangible fixed assets

Capitalisation and replacement

Expenditure, over £1,000, on fixed assets is capitalised. Repair, renovation and replacement expenditure is written off in the statement of financial activities.

Depreciation

Depreciation of assets is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Assets in the course of construction are not depreciated until they are brought into use. A full year's depreciation is charged in the year of the acquisition and not in the year of disposal. The principal annual rates used for this purpose are:

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	%
Freehold Property	0
Land	2
Buildings – straight line	5
Sports facilities and car parks – straight line	10
Plant and equipment – straight line	33.3
Computer equipment and Software – straight line	25
Motor vehicles – straight line	

Gains on disposal of tangible fixed assets are shown within other incoming resources.

Investments

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

Stocks

Stocks of stationery and consumables are stated at the lower of cost, on a first-in, first-out basis, and net realisable value.

2 Donations, gifts and legacies

	2010	2009
	£	£
Individuals	14,803	12,322

3 Fee income

	2010	2009
	£	£
Gross Fees	4,627,671	4,870,091
Less: Total bursaries, grants and allowances	(334,146)	(335,383)
	4,293,525	4,534,708
Add back: Scholarships, Grants etc paid by Endowment Fund income	2,002	1,944
	4,295,527	4,536,652

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4 Trading Income

Net Trading income within the School amounted to £39,038 (2009: £51,928) and is chiefly comprised of a let to a provider of English as an Additional Language courses.

The School also owns 100% of The Bruton Girls' School Company Limited which receives income from the letting of school properties. It covenants the majority of its taxable profit to the School. The results of the company are not consolidated into the financial statements of Bruton School for Girls as they are not considered material.

The results of The Bruton Girls' School Company Limited extracted from its audited financial statements were:

	2010	2009
	£	£
Turnover	36,720	38,640
Interest receivable	-	121
Total income	36,720	38,761
Administration	(10,333)	(12,394)
Net profit	26,387	26,367
Charitable contribution	(26,387)	(25,886)
Profit on ordinary activities before taxation	-	481
Taxation	-	-
Profit retained for the year	-	481
Total assets	35,607	40,852
Total liabilities	(35,124)	(40,369)
Net assets	483	483

5 Investment income

	2010	2009
	£	£
Bank and building society interest and other investment income	7,267	21,774

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6 Resources expended

	Staff costs	Other costs	Depreciation	2010	2009
	£	£	£	£	£
Cost of generating funds:					
Marketing & publicity	86,742	114,446	-	201,188	160,487
Trading expenditure	-	40,670	-	40,670	51,812
	86,742	155,116	-	241,858	212,299
Charitable activities:					
Costs of providing education					
Teaching	1,796,602	260,767	65,188	2,122,557	2,368,981
Welfare	366,275	145,094	13,114	524,483	517,950
Premises	292,309	353,234	124,274	769,817	846,833
Support costs	289,265	149,983	-	439,248	480,276
	2,744,451	909,078	202,576	3,856,105	4,214,040
Governance costs	-	21,928	-	21,928	13,272
	2,744,451	931,006	202,576	3,878,033	4,227,312
	2,831,193	1,086,122	202,576	4,119,891	4,439,611

The governance costs include £22k for external audit and accountancy fees and the remainder is other costs.

7 Net incoming resources

	2010	2009
	£	£
Net incoming resources is stated after charging/(crediting):		
Depreciation on owned assets	202,576	200,969
Operating lease rentals – equipment	6,881	6,880
Auditors' remuneration for:		
Audit services	13,550	13,150
Taxation and accountancy services	3,926	-
Gain on disposal of tangible fixed assets:	(2,276)	(1,499)

Indemnity insurance for trustees' liability is purchased by the School, within the all risks policy, as permitted in the Memorandum of Association of the Company, paragraph 5(6).

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8 Employee information

	2010	2009
	Number	Number
The average number of persons (full time equivalent) employed by the School during the year was:		
Teaching (including laboratory technicians)	43	49
Welfare	20	18
Premises	18	19
Support	10	10
Marketing and publicity	3	3
	94	99

	2010	2009
	£	£
Staff costs (for the above persons)		
Wages and salaries	2,421,153	2,640,165
Social security costs	183,018	198,389
Pension costs	227,022	246,074
	2,831,193	3,084,628

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

	2010	2009
	Number	Number
£70,001 - £80,000	1	1

The higher paid employee has benefits accruing under a defined benefit pension scheme.

No Governor received any remuneration from the School during the year 2010 (2009: £nil). Governors have received reimbursement totalling £82 (2009: £52) for expenses.

9 Transfers between funds

The transfer between funds of £95k relates to a transfer of funds from endowed to unrestricted and is explained fully in note 19.

10 Taxation

The School is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The School is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

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11 Tangible fixed assets

	Freehold property	Furniture & equipment	Computers, software & telephone	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2009	5,231,847	359,689	549,834	95,555	6,236,925
Expenditure	15,134	46,783	24,736	6,692	93,345
Disposals/write down	-	-	(234,386)	(25,295)	(259,681)
At 31 August 2010	5,246,981	406,472	340,184	76,952	6,070,589
Accumulated depreciation					
At 1 September 2009	941,242	261,318	505,212	63,799	1,771,571
Charge in year	124,274	28,451	36,737	13,114	202,576
Disposals/write down	-	-	(234,386)	(25,295)	(259,681)
At 31 August 2010	1,065,516	289,769	307,563	51,618	1,714,466
Net book amount					
At 31 August 2010	4,181,465	116,703	32,621	25,334	4,356,123
At 31 August 2009	4,290,605	98,371	44,622	31,756	4,465,354

12 Fixed asset investments

	Shares in subsidiary company	UK listed investments	Cash for reinvestment	Total
	£	£	£	£
Cost or valuation				
At 1 September 2009	2	35,835	97,011	132,848
Additions	-	280	3,024	3,304
Disposals	-	-	(100,035)	(100,035)
Net revaluation	-	313	-	313
Net book value				
At 31 August 2010	2	36,428	-	36,430
Net book value				
At 31 August 2009	2	35,835	97,011	132,848

The shares in subsidiary company relates to a 100% holding in the £1 ordinary shares of The Bruton Girls' School Company Limited, a company incorporated in the United Kingdom, which provides services in property management as a trading subsidiary. The aggregate amount of capital and reserves of the subsidiary company at 31 August 2010 was £483 (2009: £483). The profit after tax for the year ended 31 August 2010 retained in the subsidiary company was £Nil (2009: £481).

The historical cost of the UK listed investments at 31 August 2010 was £43,176 (2009: £42,896).

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Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 August 2010 are as follows:

	2010	2010
	£	%
GlaxoSmithKline Plc	12,491	34
Royal Dutch Shell Plc	8,629	24
Imperial Tobacco Group Plc	6,750	19
Marks and Spencer Group Plc	4,662	13

13 Stocks

	2010	2009
	£	£
Stationery and consumables	16,935	19,147
Catering	2,143	2,030
	19,078	21,177

14 Debtors

	2010	2009
	£	£
Amounts falling due within one year:		
Fees	39,397	62,007
Other debtors	1,274	1,771
Prepayments & accrued income	61,493	68,386
Amounts due from subsidiary company	33,074	38,969
	135,238	171,133

Fees invoiced in advance are shown within creditors and amounts not received by the balance sheet date are shown above as fee debtors.

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15 Creditors: amounts falling due within one year

	2010 £	2009 £
Unsecured bank loan (see note 16)	56,828	57,144
Trade creditors	123,534	88,133
Taxation and social security costs	58,550	61,577
Retentions	3,111	3,111
Other creditors	70,315	40,218
Refundable deposits	13,250	11,000
Fees invoiced in advance	287,665	169,802
Advanced fees (see note 17)	10,350	21,915
Accruals	67,235	77,042
	690,838	529,942

All of the fees invoiced in advance at 31 August 2009 were released to income in the year ended 31 August 2010.

16 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Unsecured bank loan	-	56,828
Contractual obligation	28,486	31,325
Refundable deposits	66,064	63,320
Advanced fees (see note 17)	3,250	20,077
	97,800	171,550

An unsecured bank loan of £400,000 was borrowed from the Allied Irish Bank on 16 July 2004. The loan principal is repayable over seven years, with interest payable at 1% above the bank base rate on balances outstanding. The movements on the loan are shown in note 23.

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17 Advanced fees

Parents may pay to the School up to the equivalent of sixteen years' tuition fees in advance. Such payments may be returned, subject to specific conditions. Assuming pupils remain in the advance fees payment scheme, payments will be applied to offset fees. Fees are charged at the prevailing rate.

	2010	2009
	£	£
Within 2 to 5 years	-	7,568
Within 1 to 2 years	3,250	12,509
Over 1 year (note 16)	3,250	20,077
Within 1 year (note 15)	10,350	21,915
	13,600	41,992

The balance represents the accrued liability under the contracts. The capital movements during the year were:

	£
As at 1 September 2009	41,992
New contracts	-
Interest credited	-
Amounts utilised in payment of fees:	
To the School	(21,915)
Amounts repaid to parents	(6,477)
As at 31 August 2010	13,600

18 Contracts and commitments

Operating leases

Annual commitments in respect of plant and equipment held under operating leases expire as follows:

	2010	2009
	£	£
Between two and five years	6,881	6,787

Capital contracts

There were no capital commitments at the year end (2009: £Nil).

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19 Funds

	Balance at 1 September 2009	Incoming resources	Resources Expended	Transfers, Investment gains/(losses)	Balance 31 August 2010
	£	£	£	£	£
Endowed funds					
JT Wells	95,002	-	-	(95,002)	-
Other funds	5,233	-	-	-	5,233
	100,235	-	-	(95,002)	5,233
Restricted funds					
Centenary Appeal	3,679	-	(3,679)	-	-
Modern languages trips	6,431	13	(400)	-	6,044
Haskell Maths scholarship	2,150	-	-	-	2,150
	12,260	13	(4,079)	-	8,194
Unrestricted funds					
General reserve	4,837,651	4,468,722	(4,115,812)	313	5,190,874
Designated reserve	-	-	-	95,002	95,002
	4,837,651	4,468,722	(4,115,812)	95,315	5,285,876
Total funds	4,950,146	4,468,735	(4,119,891)	95,315	5,299,303

During the year the Governors reconsidered the status of the J T Wells fund. Following consultation with the School's legal advisors and their review of previous correspondence with the Charity Commission, the Governors consider that these are unrestricted funds and have agreed to designate them for the purpose of providing discounts from both the capital and income at their discretion.

The restricted funds consist of the following funds:

The Centenary Appeal fund was established in 1995 to mark the 100th year of the School. It was established to raise money for a capital spending project in the year 2001. The School has established a Centenary Appeal Committee which includes representatives of the staff, parents and the Governors. The annual depreciation of £3,679 on the assets, which have been purchased with the monies raised has been charged against the fund.

The Modern language trips fund was established as a result of a donation of £5,000 in 2004. It was established to provide assistance with the cost of Modern Language trips. Both capital and income are available to satisfy the purposes of the fund at the discretion of the Head of Modern Languages.

The Haskell Maths scholarship was established in 2004 to provide assistance with the fees for a maths student.

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20 Analysis of the net assets between funds

The net assets are held for the various funds as follows:

	Tangible fixed assets	Investments	Net current assets	Long term liabilities	Total
	£	£	£	£	£
Endowed funds	-	5,233	-	-	5,233
Restricted funds	-	-	8,194	-	8,194
Unrestricted funds	4,356,123	131,232	896,321	(97,800)	5,285,876
Total	4,356,123	136,465	904,515	(97,800)	5,299,303

21 Pensions

Teachers Pension Scheme

The School is a member of the Teacher's Pension Scheme ('TPS'), a defined benefit pension scheme, to which both the School and staff contribute. The TPS is an unfunded scheme. Contributions on a 'pay-as-you-go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972.

The pensions cost is assessed not less than every four years in accordance with the advice of the government actuary. The latest valuation for the period from 1 April 2001 to 31 March 2004 was issued in October 2006. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Actuarial method	Prospective benefits
Assumed gross rate of return per annum	6.5 % per annum
Assumed real rate of return	3.5% in excess of prices and 2% in excess of earnings
Assumed rate of real earning growth per annum	1.5 % per annum
Assumed gross rate of return	6.5 % per annum
Market value of assets at date of last valuation	£163.2 billion
Total value of liabilities at date of last valuation	£166.5 billion

From 1 January 2007, and as part of the cost sharing agreement between employer and union representatives, the standard contribution rate was set at 19.75% plus a supplementary contribution rate of 0.75% making a total contribution rate of 20.5%. This is payable as follows: employer 14.1% and employee 6.4%. The cost sharing agreement will also introduce, for the first time from the 2008 valuation, a 14% cap on employer contributions payable.

Under definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has accounted for its contributions as if it were a defined contribution scheme.

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The Pensions Trust Growth Plan

Bruton School for Girls participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Bruton School for Girls paid contributions at the rate of 8% during the accounting period. Members paid contributions at the rate of 6% during the accounting period.

As at the balance sheet date there were 24 active members of the Plan either currently or once employed by Bruton School for Girls. The School continues to offer membership of the Plan to its employees.

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

The valuation results at 30 September 2008 have now been completed and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

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

	% per annum
- Investment return pre-retirement	7.6
- Investment return post-retirement	
Actives/deferreds	5.1
Pensioners	5.6
- Bonuses on accrued benefits	0.0
- Rate of price inflation	3.2

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2009. The market value of the Plan's assets at that date was £765 million and the Plan's Technical Provisions (i.e. past service liabilities) were £820 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £55 million, equivalent to a funding level of 93%.

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.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in-line with the 'best estimate' assumptions. 'Best estimate' means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre-retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post-retirement (pensioners).

A copy of the recovery plan 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 Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009.

The next full actuarial valuation will be carried out as at 30 September 2011.

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 Plan. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out 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 Plan. If the liabilities exceed assets there is a buy-out debt.

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The leaving employer's share of the buy-out debt is the proportion of the Plan's pre-October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre-October 2001 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 Plan liabilities, Plan 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 therefore be volatile over time.

Bruton School for Girls has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2009. As of this date the estimated employer debt was £407,726 (2009: £400,564). This amount has not been provided for in the financial statements as the School is not planning to withdraw from the Scheme in the foreseeable future.

22 Reconciliation of net incoming resources to net cash inflow from operating activities

	2010	2009
	£	£
Continuing activities		
Net incoming resources for the year	348,844	293,554
Depreciation of tangible fixed assets	202,576	200,969
Interest payable	8,184	8,584
Interest receivable	(7,267)	(21,774)
Investment income	(2,002)	(1,944)
Profit on disposal of fixed assets	(2,276)	(1,499)
Decrease/(Increase) in stocks	2,099	(1,688)
Decrease/(increase) in debtors	35,895	18,445
Increase/(decrease) in creditors	144,290	(153,613)
Net cash inflow from operating activities	730,343	341,034

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23 Analysis of changes in net funds during the year

	At 1 September 2009	Non-cash movements	Cash movements	At 31 August 2010
	£	£	£	£
Cash at bank and in hand	861,126	-	679,946	1,541,072
	861,126	-	679,946	1,541,072
Bank loan:				
Falling due within one year	(57,144)	(56,828)	57,144	(56,828)
Falling due after one year	(56,828)	56,828	-	-
Bank loan	(113,972)	-	57,144	(56,828)
Net funds	747,154	-	737,090	1,484,244

24 Capital

The School is a company limited by guarantee. Each member has undertaken to contribute a sum not exceeding £10 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 August 2010 is £130 (2009: £120).

25 Related party transactions

No concession was granted to any Governor in connection with his/her Governorship.

