

Company No. SC025080
Charity No. SC005757

CARGILFIELD SCHOOL
(A Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 July 2022

CARGILFIELD SCHOOL

REPORT of the GOVERNORS and FINANCIAL STATEMENTS

Contents	Page
Report of the Governors including Strategic Report	1 - 14
Independent Auditor's Report	15 - 17
Statement of Financial Activities (including Income and Expenditure Account)	18
Balance Sheet	19
Statement of Cash Flow	20
Notes to the Financial Statements	21 – 31

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022**

The Governors have pleasure in presenting their annual report for the year ended 31 July 2022 under the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (“the Act”) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (“the Regulations”), together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company’s Articles of Association and the Charities SORP (FRS102).

REFERENCE & ADMINISTRATIVE INFORMATION

Cargilfield School is a charitable company established in 1873 as the first preparatory school in Scotland. The charity registration number is SC005757, with the company registration number SC025080. The liability of each of the Company members is limited to £1 by guarantee. The Registered Office of the Company is Chiene + Tait LLP Chartered Accountants, 61 Dublin Street, Edinburgh, EH3 6NL and the principal office is Cargilfield School, 45 Gamekeeper’s Road, Edinburgh, EH4 6HU.

Directors and Governors

The directors of the charitable company (“the Charity”) are its Governors for the purposes of charity law and throughout this report are collectively referred to as the Governors.

Governors

Mrs R M E Bucknall²
 Mrs C Cook (resigned 20 June 2022)¹
 Mrs S Hamilton
 Mr D W Henderson¹
 Ms E M Logan³
 Mrs A S Mackenzie (appointed 30 September 2022)
 Mr A R McGregor³
 Mr D Nisbet (resigned 20 June 2022)^{1, 2}
 Lord M M K Sinclair (Chair)^{1, 2}
 Mr B J Thomson¹ (Vice Chair)
 Mr R P M Wilson (appointed 30 September 2022)
 Professor M Wood³
 Mrs H A Wordie (appointed 30 September 2022)
 Mrs S E W Younger (resigned 20 June 2022)^{1, 2}

Committee membership:

¹ Finance & General Purposes Committee

² Governance and Nominations Committee

³ Education and Welfare Committee

Biographies of each Governor may be found on the Cargilfield School website (www.cargilfield.com). In the 2021/22 year, the following Governors were also parents of children attending the School: Mr Henderson and Lord Sinclair

Key Executives and Professional Advisers

Headmaster - Mr Robert Taylor
 Bursar - Mr John Collins
 Secretaries - Chiene + Tait LLP, Chartered Accountants, 61 Dublin Street, Edinburgh, EH3 6NL
 Senior Statutory Auditor – Kevin Cattanach
 Auditor - Whitelaw Wells, Statutory Auditor, 9 Ainslie Place, Edinburgh, EH3 6AT
 Bankers - The Royal Bank of Scotland PLC, 36 St Andrew Square, Edinburgh, EH2 2YB
 Solicitors - Dentons UK & Middle East LLP, Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
 Investment Advisors - CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022

AIMS AND OBJECTIVES

The object of the charity, in accordance with its Articles of Association, is the provision of education to both boys and girls aged between 3 and 13 in a day and boarding school.

Strategic Aim and Intended Effect

Cargilfield has a tradition and history of which we are justly proud, with roots going back to the end of the 19th century. We are, however, in tune with the needs and demands of the modern world and our primary aim is to prepare our pupils for the challenges and opportunities they will face, not only after Cargilfield and at their senior schools, but also within the wider community. At the centre, lie our beliefs in a moral society and in genuine scholarship. Part of this is to remain open-minded about new ideas and to embrace the best of them. A Cargilfield education seeks to develop the full person, to draw out the individual's talents and interests and to open doors for the future.

Entrance Policy of the School

Cargilfield is a family school and any child aged between 3 and 13 may apply. There is no discrimination in our entry policy: girls and boys of any social, economic or cultural background will be welcome at Cargilfield. As discussed later in this report, we have an active bursary programme designed to enable access to opportunity and support social mix and diversity.

The School works towards Common Entrance and Scholarship examinations that go beyond the expectations of the Curriculum for Excellence and the National Curriculum for 13+. We support a broad range of abilities to this level, and are proud of the teaching excellence that allows this to be achieved. In order to maintain the essential character of a school with a wide spectrum of ability we do assess each child prior to entry. This is primarily to determine the support applicable to each individual, but may occasionally indicate that the School is not in a position to best meet the educational needs of a particular child. In such circumstances the Headmaster will liaise closely with the parents to offer guidance on the most appropriate solution.

Prospective parents may gain information about entry to Cargilfield through the School website, and should not hesitate to contact the School directly. Visits to the School are welcomed, although we now also have an open morning in the Autumn.

Applications for bursary support should be made by contacting the Bursar. Available to both current and prospective parents, as well as members of the teaching staff, awards are made on a means-tested basis. To ensure equity and transparency, this process is managed for the School by a firm of Chartered Accountants.

Enduring objectives

Cargilfield aims to provide an excellent educational outcome for each of its pupils. We do this by providing a broad curriculum of activities supported by excellent staff and facilities and built on a sustainable financial base. In guiding our development programme, we consider the views of institutions such as the Care Inspectorate and experts in child protection and welfare. We maintain active relationships with senior schools in Scotland and across the UK, while remaining independent of any one in particular. Engagement with staff, the parent body – and the pupils themselves – is at the heart of ensuring Cargilfield remains strong. Within our wider community, we are determined to uphold an active commitment to public benefit. This requires not only the advancement of the education of our own pupils, but also a contribution to the needs of others in our local area.

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

As in so many schools, the qualities of the school's management team, led by Rob Taylor (Headmaster since 2014) and John Collins (Bursar since 2017), continued to be put to the test as the School (and the country) began to move beyond the COVID crisis. We began the year with significant restrictions placed upon the School by ongoing government guidance. This year has been about returning to an educational experience that was more like that pre-Covid, while trying to learn from the best practice of the previous two years. This sense of normality was firstly achieved for the children, before eventually managing to do this for the staff onsite and then the parents and families. Once again, we felt that the whole School responded extremely well and that everyone pulled together to ensure the ongoing development and welfare of the children.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Our priority throughout the restrictions of the last two years has been to maintain the best quality education for our children, whatever the circumstances and we were delighted that there was very little impact upon the range of activities in which our children could take part. Nonetheless, we could not bring parents onsite to watch matches and other outdoor activities until November – and it was not until April that we could do so for a wider range of performances, meetings, services and social events.

Having reflected on some of the changes we made in response to COVID, we started this year with a series of changes to improve our routines and performance.

1. The normal school day for children in the Upper School was shortened slightly with lessons ending at 5.30pm rather than 6.00pm. This gave parents more flexibility and allowed for a better-quality experience for our boarders, while still offering parents the full range of wrap-around care that they value.
2. Children continued to be dropped off onsite without parents needing to stop and park. This has proved to be a safe and efficient means of managing the morning drop-off, although parents are now welcome to stop and park and walk their children into school where they wish. Many like the new routines and are continuing to 'stop and drop'. We have noticed the benefits in the children's independence and the benefits to the morning routine for the children's learning.
3. Parent-teacher meetings in the Upper School have largely continued to operate online, making use of the excellent software that makes it easier to arrange the schedule of meetings, extend the choice of timings for these meetings and allow parents to be present without having to come into school or even when they are in different locations. This does not prevent us holding specific onsite meetings when we choose to and parents tell us that they have welcomed the continuance of a system which was forced upon us by the COVID restrictions.

At the start of the 2021/22 academic year, pupil numbers were again down on the year before – following two large year groups of leavers and over 15 months in which we had not been able to invite prospective families onsite to visit the School. As a cosmopolitan school on the edge of a capital city, we welcome a good number of families moving into Edinburgh for the first time and the last year or so had restricted this movement from within the U.K. and especially from overseas. Likewise, the temporary restrictions placed upon our Nursery by Edinburgh Council limited our intake of 3 and 4-year-old children.

The last year has, however, been a much more productive time for pupil recruitment. We have welcomed record numbers of prospective parents onsite. The experience of the last few years has encouraged parents to recognise the importance of the broadest possible education and of a smaller school that can be flexible in its response to difficult circumstances.

While the School started the school year in 2020 and 2021 with about 280 pupils in the School, I am delighted to see that we expect to start in 2022 with about 305 children. This was the level of the School roll in Summer 2020 and one which we feel is right for our unique family feel and to give the necessary attention and opportunity for every child.

While COVID inevitably constrained the range and flexibility of our normal boarding offering – limiting this to weekly boarding only – we have been delighted this year to get back to the full range of evening clubs and academic extras plus the option of flexi boarding and the fun of full weekend activities such as year-group leadership skills and outward-bound camps. Such flexible arrangements offer a critical first introduction to boarding, allowing parents and their children to consider a full range of subsequent senior school options.

The pastoral care of our children is essential to Cargilfield's values and its success. This exists within the framework of a family-run environment which is both a school and a second home to many children. We have continued a programme of training staff in managing the welfare and mental health issues facing children today. This process is underpinned by staff who are trained specifically in mental health first aid, our School Nurse and external professionals, who are available to support both children and their families. As we come to the close of the 2021/22 year, we are delighted to be further developing this support with the appointment of new houseparents to oversee and improve our boarding provision. We are also establishing a regular relationship with the Anchor Practice in Edinburgh, to make sure that we are offering the very best mental health support for our children as well as the best training and advice for staff and parents.

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022****REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)**

The School Nursery was last inspected by the Care Inspectorate in March 2017, and was awarded 'Very Good' in both of the categories examined: quality of care and support; and quality of management and leadership. To conclude, the report stated that 'The staff had high expectations for all children, resulting in confident, motivated, successful learners.' We expect another inspection soon. The last year saw us return to a much wider range of activity and experience, both on and off-site, in line with the pre-covid provision. The return of Beach and Forest Nursery programmes were especially popular. The quality and success of our Nursery has prompted us to plan the re-development of our cloakroom facilities so that we can extend our capacity from 45 to 50 children at some point in the next year.

With an average of 16 pupils per class across the School, class sizes remained appropriate to the Cargilfield approach. In Form 8, 40 children sat 13+ Scholarship or Common Entrance, with all those leaving this year gaining entry into their chosen senior schools. 19 scholarships were won by the leaving cohort - and these included 7 academic awards, with Harrow and Uppingham within this group. We are proud of the School's ongoing record for scholarship awards and the reputation we have built amongst some of Edinburgh's top schools and the most selective boarding schools across the U.K.

The destination schools remain as diverse as the talents of the pupils themselves, and this year included, in Edinburgh, George Heriot's School, Loretto School, Edinburgh Academy, Fettes College and Merchiston Castle School. Further afield in Scotland these included Glenalmond College, Kilgraston School and Strathallan School. Further south, Cargilfield pupils have been admitted to Cheltenham Ladies College, Downe House, Harrow School, The King's School in Canterbury, Oundle School and Uppingham School. At Cargilfield our children make a strong community with lifelong friends, but are happy and confident to go forth to whatever senior school suits them the best, as an individual. For some that will be local day schools, for others boarding at some of Britain's finest schools – near or far. The Headmaster and the whole school team are here to support children and their families to understand and make these next-step decisions.

Other academic highlights for the year included our fifth Book Festival (our best yet) and ongoing success in academic competitions such the Townsend Warner History competition, the Shrewsbury Science Competition and the UK Mathematics Challenge – at both junior and senior levels. We have enjoyed a series of science and technology workshops offered by Oundle School, Imperial College and the Institution of Engineering and Technology. We have also actively sought a more diverse range of speakers for the children.

This was one of the best years for debating at Cargilfield, with all senior children meeting every week to consider a range of topical and philosophical concepts and our senior team retaining the Scottish Prep Schools' title. We also started a new project of joint debating activities with Cramond Primary School. A new award this year was for the most innovative project from a team of our ten-year-old pupils at the first Scottish Prep Schools' Climate Change Conference.

The School continues to promote an all-round education in every way for each child. The music, art, design and technology departments provide an excellent outlet for the nurturing of specific talents, as well as offering cross-curricular opportunities into the main academic syllabus. Art continues to be a strength at Cargilfield and a popular activity that runs throughout the day with break-time and extra clubs.

Music is a significant part of school life and so the fact that we had been unable to sing together indoors for almost fifteen months was especially heart-breaking. After a year of ingenuity and recorded concerts, music has burst back to life with live concerts that have been especially enjoyed. In truth, the recorded weekly concert which can be easily shared with more distant family and friends will probably remain with us for good now but it merely supplements the regular pattern of live performance in many different formats. Indeed, 90% of children aged 8 and above are learning musical instruments (over a third of the Upper School learn more than one) and there were 14 different groups or ensembles playing in the Summer term with a total of 147 participants. Of the 97 music exams taken last year, 28% were passed with a distinction and 51% were passed with a merit. Seven children in the school have now achieved Grade 5 in music theory.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Theatre and drama had also taken a back seat for too long and this year has been one of the best in a generation. Highlights included an impressive performance of the musical 'Annie' and a delightful P1 nativity (albeit this came too soon for us to admit a live audience). The Form 6 production of 'Romeo and Juliet' was re-invented for a run at the Edinburgh Fringe and received impressive reviews.

A key feature of Cargilfield life is a daily programme of games for all children in the Upper School and, while this continued through COVID, we were delighted this year to be able to mix age groups again and to arrange the wide programme of inter-school matches that are so much enjoyed by the children. Once again, we had three teams represent Scotland in the IAPS Hockey Finals, while the under 13 and Under 11 girls enjoyed their first netball tour to Aberdeen and Moray. The boys' 1st XV rugby team was the strongest on our circuit and enjoyed success against two of the strongest prep school teams from the North of England. 2022 will also be remembered as the year in which girls' cricket broke through and our first hardball team beat an Under 15 Fettes team on their first team square. Our athletes enjoyed being back at the Scottish prep Schools Finals and enjoyed considerable success and the provision of Outdoor Pursuits, for those children wanting an alternative to team sports, continued to grow.

Given our location in Scotland, we are proud of our involvement in activities that make the most of our wonderful environment and surroundings. The whole school turned out for our annual 'Pentland Round': a 20km ridge walk raising money for our school charities. A bothy weekend and Monroe bagging trips have also proved popular. Senior children now regularly work towards the national navigation awards. This year we completed work on an outdoor learning centre within the beautiful pavilion on the edge of the playing fields. This was opened in honour of a much-loved member of staff who died at the beginning of the COVID outbreak.

In summary, I am extremely grateful to the staff, parents and Governors of Cargilfield School and, most importantly, the pupils whose efforts allowed for such a successful year in such a difficult climate. We have worked through testing times to re-establish Cargilfield as one of the premier preparatory schools in the U.K.

CHARITABLE ACTIVITIES

Cargilfield is proud of its position in the community. The Cargilfield buildings and grounds are available to hire for a wide range of activities and events. Over the years the School has fostered many ties with its local community. The Pipe Band has played regularly in the local area; various musical groups have established a performance routine at a local nursing home, and Cargilfield continues to maintain its very close links with Cramond Kirk and Holy Cross, Davidsons Mains – especially with the 'Cramond Imagines' and 'Cramond Remembers' projects this year. The Sports Hall has been used regularly by various groups in the Edinburgh area for badminton, cricket, fencing, netball, football and hockey. We have been delighted to see these groups returning to Cargilfield as restrictions on their activities have started to be lifted. Cramond Primary School uses the facilities at the School, including holding its annual sports day at Cargilfield. The Cargilfield Activity Week during the summer is open not only to Cargilfield children, but also to others in the Edinburgh area. Similar holiday coaching camps for football, fencing, tennis and hockey are also hosted. A recent addition has been a weekly theatre group who meet on Saturday afternoons at Cargilfield. The annual Christmas Fair was held as a virtual event in 2021 and we also expect it to return in its physical format in 2022. We look very favourably on all applications from outside Cargilfield to use Cargilfield grounds and facilities. Some of the groups which use Cargilfield do so free of charge. In other cases, there is a very low hourly-rate.

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022****CHARITABLE ACTIVITIES (continued)**

After two years of restrictions which curtailed our usual fundraising events, it was heartening to see these events return in 2021/22. The return of the Pentland Round and the annual School Summer fair were enthusiastically supported by pupils and parents alike and both events were blessed with fine weather. The School selected three charities to support this year, with one charity selected by each of the Pre-prep and Upper School children and one selected by Friends of Cargilfield. These charities were The Tailor Ed Foundation (supporting children with autism to develop important life skills); Kids Love Clothes (providing pre-worn clothes to families with particular needs) and Riding for the Disabled (providing therapy and opportunities for children and adults with disabilities to learn new skills). Total funds raised by the School in 2021/22, to be distributed equally amongst the three charities amounted to £10,376.

In addition to the fundraising for the School's three nominated charities, other specific fundraising activities during the year allowed the School to support the Poppy Appeal, Comic Relief, St Columba's Hospice, and Fresh Start.

BURSARY AWARDS

There is a continued emphasis from the School and the Board of Governors to use bursaries to enable access to pupils from a wide range of backgrounds and to maintain the social mix and diversity of the School. Bursary support is available from Form 4 and includes 100% awards. This has enabled some children to attend the School who would not otherwise have been able to do so and is accompanied by appropriate guidance when such pupils are looking at senior school places. Recent years have seen the beneficiaries of the bursary scheme move on to fully assisted places at major public schools in both Scotland and England. Some recent examples include:

- Girl 1 Was a successful leader at Cargilfield and won a music scholarship to a major Scottish boarding school.
- Boy 1 Won an academic scholarship to a major Scottish boarding school.
- Girl 2 Won a scholarship to a major English boarding school.
- Boy 2 Was a prolific sportsman and was given a subsequent bursary to a major Scottish boarding school.
- Girl 3 Won a music award and was given a subsequent bursary to a major Scottish boarding school.
- Boy 3 Was appointed a prefect and won a sports scholarship to a major Scottish boarding school.

The total number of means tested bursaries awarded was 22 (2021: 15), with an annual value of £241,425 (2021: £136,842). Seven pupils received a 100% bursary during the year (2021: 1) and a further seven pupils received bursaries of 90% or above (2021: 2). The School continues its ongoing support for this purpose, and the value of the designated Bursary Fund at 31 July 2022 was £1,251,109 (2021: £1,236,798).

The School continued its principal activities throughout the current year as described in the Aims and Objectives and Review of Achievements and Performance sections of the Governors' Report (pages 2-5).

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022****FINANCIAL REVIEW**

Whilst pupil numbers had strengthened significantly as the 2021/22 financial year had progressed, the year had nevertheless started with a pupil roll that was significantly down on the previous year and this inevitably impacted on financial performance. This reduction in pupil numbers had been forecast well in advance and the School had budgeted for a deficit in 2021/22 of £228,153 – with the actual result coming in slightly better than that, with a deficit for the year of £221,671.

The Senior Management Team and all the staff worked hard to minimise expenditure wherever possible so as to contain the deficit to the lowest possible value. In the meantime, the Governing Board were content that the School's strong historic results, financial reserves and cash balances allowed it to absorb a short-term deficit, without the need for significant restructuring of the School's cost base.

With the strong improvement in pupil numbers for 2022/23 noted previously, this strategy is expected to be the foundation for a significant improvement in the financial result in 2022/23 and subsequent years. Albeit the Governing Board are also aware that in the longer term, upward pressure on salaries, utility costs and food costs will continue to create a challenging landscape for all independent schools.

Alongside the budgeted deficit of £228,153 the School had also budgeted a cash outflow for the year of £185,310 however close attention to working capital balances and a lower level of capital expenditure than budgeted (the latter mainly due to timing of expenditure over the financial year end), meant that cash outflow in the year was restricted to £76,243.

Investments in fixed assets totalled £99,135 (2021: £113,077), being the pavilion and expenditure on computer equipment and general fixtures and fittings. All the investment was funded out of the School's cash reserves.

Key performance indicators

The Senior Management Team, comprising the Head, the Assistant Head, the three Deputy Heads and the Bursar use a range of performance measures to monitor and assist in the management of the business. The performance measures are set and reviewed in conjunction with the Board of Governors, and split into financial and non-financial key performance indicators. The current indicators include:

- Health and safety metrics, including the monitoring of pastoral care
- Preparation and performance in regulatory reviews
- Staff development and retention
- Pupil numbers, mix and fees paid
- Educational outcomes and senior school access
- Management of operating and capital costs

Financial position at 31 July 2022**General unrestricted funds**

General unrestricted funds represent the funds arising from past operating results. The general unrestricted funds are presently £8,934,454 (2021: £9,170,436). The Governors consider that the School should maintain liquid resources equivalent to around six months of cash expenditure. The available realisable assets (i.e. the net current assets) shown on the balance sheet at 31 July 2022 are £2,075,715 (2021: £2,106,101) which represents approximately 6.25 months of cash expenditure and as such the policy was met at the year end.

During the year the School received £3,744 (2021: £10,445) in donations and legacies. The Board is very grateful for these kind contributions to the future of Cargilfield and generally directs such funds towards educational resources, hardship grants or the fabric of the School. The Governors welcome such offers and are happy to discuss how donations may be applied to further the enduring objectives of educational excellence and a commitment to public benefit.

The School was not required to provide hardship funding to parents whose financial circumstances had been severely impacted by COVID 19 in 2022 (2021: £57,760).

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022****FINANCIAL REVIEW (continued)****Financial position at 31 July 2022 (continued)****Designated Funds****Bursary fund**

The designated reserve represents funds raised in the past and assets introduced at inception within the objects of the charity. The designated reserve was renamed the Bursary Fund in 2006. The Governors have designated these funds to fund future bursaries. The fund value has increased slightly to £1,251,109 (2021: £1,236,798). During the year, the Governors decided to transfer £241,425 to the designated Bursary Fund from general unrestricted funds, thus offsetting the cost of bursaries awarded. The movements on these reserves are shown in note 11.

Friends of Cargilfield

During the period the Charity received funds of £1,042 (2021: £2,665) on behalf of the Friends of Cargilfield, an informal group of parents with the goal of maintaining active social and charitable activities amongst the parent body. This group has a committee which is independent of the Charity's Board of Governors and maintains its own accounts and banking arrangements separate from the School. All the funds held in a designated fund and the value of the fund at the year end was £8,436 (2021: £8,436).

Restricted funds**Nursery Partnership Fund**

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £15,652 was received and expended during the year (2021: £75,925).

Investment Policy and Objectives

There are no restrictions on the Company's absolute powers of investment. The Governors' policy continues to be to hold the bulk of investment funds in cash, as well as bonds and listed equities, so that there is a spread of risk together with a prospect of capital as well as income growth.

The value of the investment portfolio increased by 1.1% during the year. The investments are managed by the Ethical Fund of CCLA (Churches, Charities and Local Authorities) Investment Management. The Board believes the associated investment objectives are well aligned with an educational institution supporting the development of the next generation.

Principal risks and uncertainties

The school continually reviews and monitors its key risks together with assessing the controls used for managing these risks. The Board of Governors formally reviews and documents the principal risks facing the School at least annually.

In the view of the Governors and Senior Management Team, the principal risks and uncertainties facing the School may be described as follows:

Governance and Management

- Appropriate strategic planning and awareness of economic, political and other external factors
- Recruitment, retention and development of key staff and Governors
- Maintenance of appropriate policies and procedures, consistent with aims and objectives
- Awareness of and compliance with statutory requirements including GDPR and OSCR.
- Oversight and support of the Headmaster, the Senior Management Team and Board of Governors

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

Operational

- Continuous monitoring of health and safety risks and the development of appropriate mitigating actions
- Appropriate child protection training and care alongside well-developed pastoral care
- Pupil recruitment and retention
- Marketing, identity and promotion of the School alongside fundraising activities to ensure affordability for children from as wide a variety of backgrounds as possible.
- Maintenance of appropriate emergency response, business continuity and succession plans

Property and Finance

- Effective financial controls and forecasting to manage the impact of pensions, pay and other significant cost increases
- Appropriate financial planning and insurances
- Estate maintenance and renewal
- Provision of appropriate facilities and access to technology
- Appropriate IT support and cyber security

Education

- Academic performance
- Syllabus selection and adherence
- Effective teaching and learning support
- Adequate support for the continuous professional development of all staff
- Provision of appropriate extra-curricular activities and facilities
- Access to senior schools

Risk Management

The Governors have an active risk monitoring programme. Reviewed by the Finance and General Purposes Committee on a termly basis, and kept up to date by the Bursar, it examines the principal areas of the School's operations, considers the major risks, allocates responsibilities and suggests appropriate mitigating actions.

In the opinion of the Governors, the School's management team has established resources and review systems which, under normal conditions, should allow risks to be mitigated to an acceptable level in the School's day-to-day operations.

FUTURE PLANS

Our future plans reflect our commitment to an excellent all-round education for pupils within a flexible boarding and day environment, delivered by a professional, well trained and highly motivated staff. Whilst the School has now returned to the full level of activities that were offered before the COVID crisis, we nevertheless continue to reflect on the lessons learned during the pandemic. In this way we can ensure that the use of technology in the classroom and in our support functions continues to play an important part in the educational experience of Cargilfield children and any changes to our routines that were made in response to the crisis, that have subsequently been deemed to be changes for the better, remain embedded in the daily pattern of life at the School.

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022****FUTURE PLANS (continued)****Learning**

Having offered what we felt to be the very best remote learning experience during lockdown and the subsequent period of gradual re-opening, now that teaching and learning has returned to a more conventional format, we continually review our remote and blended learning policy so that we can react to the needs of individuals or larger groups. Having seen the benefit that a long-term programme of investment in technology made to our ability to deliver ongoing education during the COVID crisis, we will continue to explore ways of enhancing the use of technology in the School – while keeping a hold of the best of traditional teaching practice.

Good progress continues to be made on our curriculum review, making use of the expertise of our curriculum leaders alongside valuable input from our Education and Welfare Committee members. From this, we intend to arrange a process of inspection whereby experienced professionals can help us to assess the effectiveness of both our current curriculum and the changes we hope to make. We expect to have completed this work and be in a position to undergo an independent inspection by Summer 2024. Learning Support remains an important resource for pupils and teachers alike and the appointment of a new head of Learning Support from August 2022 will further strengthen this key area. We also need to ensure that in this age of rapid and often conflicting information flow, our children are equipped with strong critical thinking skills – and an ability to cooperate and work together.

As part of this and contradictory to current trends as it may in some ways seem, we continue to make reading even more of a priority across the course of the next few years. With the recruitment of a dedicated part-time librarian and the introduction of a targeted reading scheme for children, further training will be provided to all staff to support the roll out of this programme. The establishment of a library committee to help drive forward new library-based initiatives and the inclusion of dedicated reading time into the structure of the Upper School day further underline the importance of reading within the curriculum.

Breadth of Experience

This remains one of the greatest strengths of a Cargilfield education and the restoration of a full range of extra-curricular clubs after the restrictions of the pandemic has been greeted with enthusiasm by pupil, parents and teachers.

For the coming year the recruitment of a new Head of Boarding alongside changes to the boarding team as a whole will bring new energy and fresh ideas to our boarding offer, increasing the attractiveness of boarding to a new generation. With new evening timings and changes to the routine, backed by significant investment in the common room and dormitories which is planned for Summer 2023, the future of boarding looks increasingly bright.

The School will continue to seek partnership opportunities that allow its facilities to be used during the School holidays and at weekends. This can bring in valuable additional revenue for the School but more importantly helps to foster better links with local schools, sports clubs and community groups and provides a range of sporting, drama and other activities for Cargilfield pupils and others to enjoy.

Welfare

The welfare of our pupils remains at the centre of our future plans and there has been significant progress made to enhance the provision of counselling services and to improve the sophistication of our systems for monitoring children's mental health. A partnership with a new counselling practice is due to go live during the Autumn term 2022. These initiatives will run alongside the continuing investment in mental health first aid training for key members of staff and the establishment of a pastoral group modelled on the successful curriculum leader structure.

Outcomes

While we are proud of the successful outcomes achieved by children leaving Cargilfield, the events of the last few years have reminded us that a Cargilfield education must play its part in a more equal society and we will continue to explore ways in which we can do this with particular reference to race and gender. Further progress will be made in 2022/23 to increase the diversity of the staff and governing body and to ensure that visiting speakers reflect the full diversity of wider society. The curriculum and the provision of sports and activities will also be examined to ensure maximum diversity and accessibility.

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022****FUTURE PLANS (continued)**

With opportunities to visit senior schools in person now possible again, we will redouble our efforts to help parents and children understand and, where appropriate, experience the range of senior school opportunities available to them. We take this next step very seriously for each and every Cargilfield child. Likewise, we will continue to review and assess the quality of outcomes for our children, taking the findings into our ongoing review of practice and resources.

Staff Development

The Governing Body and the Senior Management Team have been delighted with how the entire staff body has responded with energy and imagination to fresh challenges during the last two years. Supporting their welfare and their continuing professional development will remain a particular emphasis for the management team this year. Staff welfare has now been embedded as a standing item on the agenda of weekly Senior Management Team meetings and the internal appraisal system will continue to be developed so that it also can act as a conduit for identifying welfare issues.

Plans are being made to establish a fund targeted specifically at staff training and steps will be taken to improve the availability of sports coaching for teaching staff.

Pay and pensions remain a significant focus for the School and it is expected that an initial review of the pay and pensions structure will be completed in 2022/23 with a view to rolling out a fair, transparent reward strategy to ensure that the School can continue to retain and recruit the most talented teachers across all subject areas.

Communication and Recruitment

With a return to in-person visits by prospective parents and the restart of, now, twice-yearly open days, the School will continue to invest in carefully targeted marketing activities to ensure that the School roll remains at our target level. To underpin this, a significant redesign of the School's website will take place during 2022/23 to ensure that parents and prospective parents can easily find the information that is relevant for them and also to ensure that the website is optimised for selection by search engines.

An annual questionnaire for our current parents (alongside that to our leaving parents) will also continue in 2022/23 so that we can make sure we are meeting the needs of our families in all respects. Based on feedback from previous surveys, the School has established a fifth morning bus run starting in August 2022 and continues to investigate options to further extend the transport options offered to parents.

The School recognises that affordability can be a significant factor in senior school choices and it will continue to build relationships with more affordable and local day school alternatives so as to give parents the maximum number of options when choosing the next steps for their children when they leave Cargilfield.

2023 will see the School celebrating the 150th anniversary its foundation and a series of events and celebrations will take place throughout the year aimed at reconnecting the School with its former pupils and former parents. The Governing Board and the Senior Management Team look forward to meeting as many former pupils and former parents as possible at these events throughout the year and enabling all members of the Cargilfield family to make or re-make acquaintances.

Finance, Infrastructure and Administration

The School's finances remain robust but further options will be explored during 2022/23 to ensure that the School's net working capital is optimised. The School will continue to invest in its IT infrastructure, both in the classroom and in its 'back office' with further services and data storage being moved to cloud-based solutions as physical servers reach retirement.

In support of the Cargilfield 150 activities, further work will take place during 2022/23 to develop the School's alumni database so that it can be used to manage attendance at events and year-group networks can be established and connections remade.

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022****FUTURE PLANS (continued)****Facilities and Environment**

While we are proud of the extent of our facilities and the lovely environment in which we live and work, there will be further improvements to the physical infrastructure of the School in 2022/23. These will include the improvements to the boarding areas mentioned earlier in this report, the further development of the outdoor learning centre to ensure it is used to its full potential and an extension to the Nursery cloakroom area to allow a small increase in the number of children that the Nursery can accommodate and to better link it to its outdoor spaces. A whole school building condition survey was completed in 2021/22 and a programme of preventative maintenance works will be put together to make sure that maintenance is planned, rather than reactive so that the buildings can be kept in optimum condition. The building condition survey also included an energy efficiency survey with associated recommendations to help inform the School's long term sustainability programme.

All such activities will be reviewed and prioritised by the Board as part of a rolling three-year financial plan which will ensure that Cargilfield enters its second sesquicentenary in a strong financial position and as relevant and progressive as it was at its foundation in 1873.

STRUCTURE, GOVERNANCE AND MANAGEMENT

While the School is confident in its current procedures, ensuring the integration of the latest developments and requirements in Child Protection and Welfare remains a priority and we will continue to review our provision of PSHE teaching and structures for pastoral support. The embedding of a more professional approach to human resources will continue, and forms a critical part of ensuring that our excellent staff have the right opportunities for training and development. The School is refining its approaches to business continuity and emergency response, and this will continue into 2022.

Governing Document

The Company is governed by its Articles of Association.

Governing Body and Organisational Management

The Headmaster is in charge of the day-to-day management of the School, and reports to the Board of Governors. The School's strategic decisions are made by the Board, which is also charged with ensuring the long-term stability and effectiveness of the Charity.

It is intended that the Board of Governors comprises around 10 members, who will contribute a variety of skills and experiences appropriate to the functions of the School. In addition to education, it is particularly important that the Board can offer leadership in legal, financial, medical, property and commercial matters.

The Governors are appointed by the Board for an initial term not exceeding four years. Governors are eligible to serve a second four-year term, but can be elected for a third only in exceptional circumstances defined by the Articles. The composition of the Board is set to reflect a mix of past and current parents, former pupils, education professionals and independents with particularly relevant expertise. The position is unpaid.

The Governing Body meets at least three times a year and is assisted in its work by a series of sub-committees: The Finance and General Purposes (FGP) Committee, the Governance and Nominations (GN) Committee, the Education and Welfare Committee and the Safeguarding Committee. The FGP Committee meets at least once a term, while the other committees meet at least twice a year. The FGP Committee is the Audit Committee for the Charity. Matters relating directly to child protection are reserved for the full Board. Details of the remit of each committee may be found on the School website.

The Governing Body seeks to continually improve its governance structure and the effectiveness of its oversight of the School. The Health and Safety Committee was particularly active over the last year both in its review of practices and the embedding of a stronger culture of action and awareness. With the staff-led Health and Safety Committee now well established, the Governor-led component is subsumed into a direct report to the Main Board. The Education Committee focuses on the aims, delivery and performance of the curriculum while also guiding and reviewing pastoral care.

The Governors set the pay and remuneration of the School's key management personnel on an annual basis, with reference to teachers' pay scales, other similar schools and their performance during the year. An annual assessment and review of the Headmaster is carried out by the Chair and Deputy Chair of Governors.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022

Recruitment and Training of Governors

Governors are sought using a matrix of skills, experience and association with the School to ensure that the Board is elected from a range of relevant backgrounds and has the required breadth of knowledge, diversity and experience to govern the School. A person must be recommended by the G&N Committee for election to the Board.

The Board manages an induction programme for new Governors which extends from meeting key personnel and touring school facilities, to the provision of relevant legal, financial and operational documentation. Governors are encouraged to develop their contribution through specific training from organisations such as the Scottish Council for Independent Schools, and through contact with Governors of other schools and relevant professional organisations. The Governor nominated to take a specific interest in child protection will have up to date knowledge of the area, and experience of implementation in an education context.

Auditor

Whitelaw Wells were appointed auditors during the year. They have expressed their willingness to continue in office as auditor and will be proposed for re-appointment at the Annual General Meeting.

Statement of Governors' Responsibilities

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 charity will continue in business;
- observe the methods and principles in the Charities SORP;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are Governors at the time the report is approved:

- so far as the Governors are aware, there is no relevant information of which the charity's auditor is unaware, and
- they have taken all the steps that they ought to have taken as a Governor in order to make themselves aware of any relevant audit information, and to establish that the charity's auditor is aware of the information.

The Governors' Report and Strategic Report were approved by the Board of Governors at its meeting on 01 December 2022 and signed on its behalf by:



Lord M Sinclair
Chair

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS AND MEMBERS OF CARGILFIELD SCHOOL (A Company Limited by Guarantee)

Opinion

We have audited the financial statements of Cargilfield School (the 'charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022, and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' (who are also the trustees and directors of the charitable company for charity law company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report and Strategic report, prepared for the purposes of company law and included in the report of the Governors, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report, included with the report of the governors, has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS AND MEMBERS OF CARGILFIELD SCHOOL (A Company Limited by Guarantee) (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included in the report of the governors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement set out on page 13, the governors (who are also the trustees and directors of the charitable company for charity law company law purposes) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS AND MEMBERS OF
CARGILFIELD SCHOOL (A Company Limited by Guarantee) (continued)**

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the governors, as a body, in accordance with section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Cattanach

Kevin Cattanach, Senior Statutory Auditor

For and on behalf of Whitelaw Wells, Statutory Auditor

Whitelaw Wells is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

9 Ainslie Place

Edinburgh

EH3 6AT

09 December 2022

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CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 July 2022

	Note	Restricted Funds £	Designated Funds £	Un- Restricted Funds £	Total 2022 £	Restricted Fund £	Designated Funds £	Un- Restricted Funds £	Total 2021 £
Income and endowments									
Donations and legacies		-	1,042	2,702	3,744	-	2,665	7,780	10,445
Charitable activities									
School fees receivable	2	15,652	-	3,493,599	3,509,251	75,925	-	3,285,339	3,361,264
Other ancillary trading income	3	-	-	451,255	451,255	-	-	253,444	253,444
Other trading activities		-	-	78,355	78,355	-	-	6,083	6,083
Other income		-	-	-	-	-	-	76,624	76,624
Investments		-	-	2,797	2,797	-	-	1,925	1,925
Total income		15,652	1,042	4,028,708	4,045,402	75,925	2,665	3,631,195	3,709,785
Expenditure									
Raising funds	5	-	-	36,612	36,612	-	-	3,302	3,302
Charitable activities	5	15,652	242,467	3,986,653	4,244,772	75,925	137,332	3,708,052	3,921,309
Total expenditure		15,652	242,467	4,023,265	4,281,384	75,925	137,332	3,711,354	3,924,611
Net gains on investments		-	14,311	-	14,311	-	197,688	-	197,688
Net (expenditure)/income		-	(227,114)	5,443	(221,671)	-	63,021	(80,159)	(17,138)
Transfer between funds	11	-	241,425	(241,425)	-	-	136,842	(136,842)	-
Net movement in funds		-	14,311	(235,982)	(221,671)	-	199,863	(217,001)	(17,138)
Reconciliation of funds:									
Total funds brought forward	11	-	1,245,234	9,170,436	10,415,670	-	1,045,371	9,387,437	10,432,808
Total funds carried forward	11	-	1,259,545	8,934,454	10,193,999	-	1,245,234	9,170,436	10,415,670

All income resources are derived from continuing activities.

The notes on pages 21 to 31 form part of these financial statements.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

BALANCE SHEET

As at 31 July 2022

	Notes	£	31 July 2022 £	31 July 2021 £
Fixed assets				
Tangible assets	6		6,867,175	7,072,771
Investments	7		1,251,109	1,236,798
			-----	-----
			8,118,284	8,309,569
Current assets				
Debtors	8	232,395		116,715
Cash at bank and in hand		2,319,802		2,396,045
			-----	-----
		2,552,197		2,512,760
			-----	-----
Creditors: amounts falling due within one year				
	9	476,482		406,659
			-----	-----
Net current assets			2,075,715	2,106,101
			-----	-----
Net assets			10,193,999	10,415,670
			=====	=====
Funds				
General unrestricted funds	11		8,934,454	9,170,436
Designated funds	11		1,259,545	1,245,234
Restricted funds	11		-	-
			-----	-----
			10,193,999	10,415,670
			=====	=====

These financial statements were approved by the Board of Governors and authorised for issue on 01 December 2022 and are signed on its behalf by:

..... Lord M Sinclair
Chair

..... Mr B J Thomson
Vice Chair

Company No. SC025080

The notes on pages 21 to 31 form part of these financial statements.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

STATEMENT of CASH FLOW

For the year ended 31 July 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	1a	20,095	138,391
Cash flows from investing activities			
Interest received		2,797	1,925
Purchase of property, plant and equipment		(99,135)	(113,077)
Proceeds from sale of investments		-	-
Purchase of investments		-	-
Net cash used in investing activities		(96,338)	(111,152)
Change in cash and cash equivalents in the year		(76,243)	27,239
Cash and cash equivalents at the beginning of the year		2,396,045	2,368,806
Cash and cash equivalents at the end of the year		2,319,802	2,396,045
Analysis of cash and cash equivalents			
Cash in bank		2,319,802	2,396,045
		2,319,802	2,396,045

Note 1a Reconciliation of net incoming resources to net cash inflow from ordinary activities

	2022 £	2021 £
Net (outgoings)/income for the year	(221,671)	(17,138)
Adjustments for:		
Depreciation charges	304,731	302,780
(Gains) on investments	(14,311)	(197,688)
Interest received	(2,797)	(1,925)
(Increase)/decrease in debtors	(115,680)	29,904
Increase in creditors	69,823	22,458
Net cash inflow from ordinary activities	20,095	138,391

There is no debt and consequently a reconciliation of net debt is not required.

The notes on pages 21 to 31 form part of these financial statements.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS

For the year ended 31 July 2022

1. Accounting policies

General information

Cargilfield School is a charitable company limited by guarantee incorporated and domiciled in Scotland with registered company number SC025080. The registered office is 61 Dublin Street, Edinburgh, EH3 6NL. Cargilfield School meets the definition of a public benefit entity under FRS 102.

The principal activity is the provision of education to both boys and girls aged between 3 and 13 in a boarding school with a strong day offering.

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the charitable company.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for carrying amounts of tangible assets.

Going concern

The financial statements have been prepared on a going concern basis. The Governors have assessed the School's ability to continue as a going concern and have reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. This is based on the current financial position of the School and anticipated results for future periods. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Income

Income is only recognised in the Statement of Financial Activities ("SOFA") in the year when there is an entitlement to the income, it is probable that it will be received and it can be measured with sufficient reliability.

Income received by the School in an agency role, together with the related expenditure, is excluded from the financial statements in accordance with the requirements of the Charities SORP.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

1. Accounting policies (continued)

Tuition fees and related income

Fee income is the total amount receivable by the School in respect of tuition and other educational activities. Fee income is recognised in the School year to which it relates. Fee income is attributable to this one continuing activity.

Donations, legacies and similar income

Donations, legacies and similar income is included in the year in which it is receivable, which is when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

Other ancillary trading income

Other ancillary trading income is included in the year to which it relates and represents income received from music lessons, clubs and activities.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Costs of raising funds are those associated with generating donations, and investment income, and charitable activities costs are those expended on meeting the charity's objectives.
- Charitable activities include expenditure associated with meeting the charity's primary objectives and include both the direct costs and the support costs relating to these activities.
- Included within support costs are governance costs which are those of a constitutional, strategic, or statutory nature with respect to the general running of the charity, rather than day to day management.

Costs directly attributable to each activity are allocated to the appropriate activity.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Operating leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the lease term.

Depreciation

Depreciation is calculated to write down the cost of depreciating assets by equal annual instalments over their expected useful economic lives as follows:

Land and buildings	2%-10%
Furniture and equipment	10%-20%
Motor vehicles	25%
Computer equipment	25%

All expenditure is charged to the Statement of Financial Activities (SOFA), except substantial improvements to land and buildings, purchases of specific equipment and motor vehicles.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

1. Accounting policies (continued)

Pension costs

The charity participates in a defined contribution scheme and a defined benefit scheme. Contributions payable to the schemes are charged to the SOFA in the period to which they relate.

Taxation

The Company has been granted charitable status and is therefore exempt from corporation tax by virtue of Part 11 of Corporation Tax Act 2010.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair values at the year end and their carrying value. The realised and unrealised loss or gain is debited or credited to designated funds.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the Governors. Restricted funds are the funds that can only be used for particular restricted purposes laid down by the donor. Expenditure which meets this criterion is charged to the fund. Designated funds are the funds set aside by the Governors out of the unrestricted general funds for specific future purposes and projects.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

1. Accounting policies (continued)

Fund accounting (continued)

The school has the following funds:

General unrestricted funds – the general reserves of the School which the Governors are free to use in accordance with the charitable objects.

Bursary Fund – this is a designated fund for the purpose of funding bursaries.

Restricted Fund - The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places.

2. School fees

	2022	2021
	£	£
The School's fee income comprised:		
Gross fees	4,151,108	3,994,999
<u>Less:</u> Means tested bursaries	(241,425)	(136,842)
Grants and discounts	(400,432)	(496,893)
	-----	-----
	3,509,251	3,361,264
	=====	=====

3. Other ancillary trading income

	2022	2021
	£	£
Flexi and weekend boarding	68,250	9,360
After school club	80,054	39,774
Clubs and activities	291,597	183,848
Other	11,354	20,462
	-----	-----
	451,255	253,444
	=====	=====

4. Staff costs

	2022	2021
	£	£
Salaries and wages	2,186,751	2,149,056
Social security costs	202,714	196,279
Other pension costs	327,724	317,809
	-----	-----
	2,717,189	2,663,144
	=====	=====

The Governors received no remuneration (2021: £Nil) and no (2021: none) governors were reimbursed for expenses totalling £nil (2021: £nil).

The average number of employees during the year was made up as follows:

	2022	2021
	No.	No.
Teaching	45	45
Domestic	12	10
Maintenance	4	5
Office	11	10
	-----	-----
	72	70
	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

4. Staff costs (continued)

Key management personnel are considered to be the senior management team, comprising the Head, the assistant Head, the two Deputy Heads, the Director of Studies and the Bursar. Total remuneration paid to the key management personnel (including NI, benefits in kind and pension) amounted to £532,187 (2021: £529,861). In addition, members of key personnel are entitled to receive a discount on their children's school fees amounting to 85% (2021: 85%).

One employee earns remuneration in the band £100,000 - £110,000 (2021: one) and had retirement benefits accruing under a defined benefit scheme of £23,181 (2021: £22,745). Two employees earned in the band £60,000 - £70,000 (2021: 2) and had benefits accruing under a defined contribution scheme and a defined benefits scheme totalling £21,291 (2021: £20,890). No other employee earns more than £60,000 per annum.

5. Expenditure	Staff costs	Other	Depreciation	2022 Total
	£	£	£	£
(a) Analysis of total resources expended – 2022				
Charitable activities				
School operating costs:				
Teaching costs	2,017,979	92,893	-	2,110,872
Welfare costs	196,192	313,997	-	510,189
Premises	115,412	389,350	242,344	747,106
Support and governance costs	370,981	443,237	62,387	876,605
	-----	-----	-----	-----
	2,700,564	1,239,477	304,731	4,244,772
Raising funds				
Fundraising payments	16,625	19,987	-	36,612
	-----	-----	-----	-----
	2,717,189	1,259,464	304,731	4,281,384
	=====	=====	=====	=====

(a) Analysis of total resources expended - 2021	Staff costs	Other	Depreciation	2021 Total
	£	£	£	£
Charitable activities				
School operating costs:				
Teaching costs	2,012,688	69,237	-	2,081,925
Welfare costs	180,195	230,996	-	411,191
Premises	132,471	357,980	244,292	734,743
Support and governance costs	337,790	297,172	58,488	693,450
	-----	-----	-----	-----
	2,663,144	955,385	302,780	3,921,309
Raising funds				
Fundraising payments	-	3,302	-	3,302
	-----	-----	-----	-----
	2,663,144	958,687	302,780	3,924,611
	=====	=====	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

5. Expenditure (continued)

(b) Support and governance costs	2022	2021
	£	£
Support costs		
Salary costs	370,981	337,790
Motor and transport	44,503	35,015
Administration costs	136,296	98,209
Computer maintenance	60,002	72,626
Legal and professional fees	50,262	35,820
Clubs and activities	143,644	40,347
Bad debts	-	-
Depreciation	62,387	58,488
	-----	-----
	868,075	678,295
	-----	-----
Governance costs		
Auditor's remuneration	8,530	10,742
Governors' expenses	-	175
Inspection	-	4,238
	-----	-----
	8,530	15,155
	-----	-----
Total	876,605	693,450
	=====	=====

6. Fixed assets - tangible assets	Freehold land and buildings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2021	9,801,273	824,832	394,514	45,508	11,066,127
Additions	35,149	54,764	9,222	-	99,135
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 July 2022	9,836,422	879,596	403,736	45,508	11,165,262
	-----	-----	-----	-----	-----
Depreciation					
At 1 August 2021	2,953,170	666,942	327,736	45,508	3,993,356
Provided for the period	242,344	27,583	34,804	-	304,731
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 July 2022	3,195,514	694,525	362,540	45,508	4,298,087
	-----	-----	-----	-----	-----
Net book value at 31 July 2022	6,640,908	185,071	41,196	-	6,867,175
	=====	=====	=====	=====	=====
Net book value at 31 July 2021	6,848,103	157,890	66,778	-	7,072,771
	=====	=====	=====	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

7. Fixed assets – investments	2022	2021
	£	£
Quoted investments	1,251,109	1,236,798
	=====	=====
Quoted investments		
Cost b/fwd at 31 July	990,050	990,050
Net unrealised gain	246,748	49,060
	-----	-----
Market value b/fwd at 31 July	1,236,798	1,039,110
Purchases at cost	-	-
Disposals at opening market value	-	-
Net unrealised (loss)/gain	14,311	197,688
	-----	-----
Market value c/fwd at 31 July	1,251,109	1,236,798
	=====	=====
Cost at 31 July	990,050	990,050
	=====	=====
Net unrealised gain included above on investment assets	261,059	246,748
	=====	=====
Reconciliation of movements in unrealised losses on investment assets		
Net unrealised gains b/fwd at 31 July	246,748	49,060
Movement in respect of disposals in period	-	-
	-----	-----
	246,748	49,060
Net (loss)/gain arising on revaluation in period	14,311	197,688
	-----	-----
Unrealised gain c/fwd at 31 July	261,059	246,748
	=====	=====

Investments comprise listed equities and bonds, quoted on recognised investment exchanges.

8. Debtors	2022	2021
	£	£
Debtors	143,195	36,771
Prepayments and accrued income	89,200	79,944
	-----	-----
	232,395	116,715
	=====	=====
9. Creditors: amounts falling due within one year	2022	2021
	£	£
Other tax and social security	58,423	71,015
Other creditors	285,217	213,777
Fees paid in advance	1,318	1,190
Accruals	131,524	120,677
	-----	-----
	476,482	406,659
	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

10. Financial instruments

	2022	2021
	£	£
Financial assets at fair value through profit or loss:		
Investments in equity instruments	1,251,109	1,236,798
	=====	=====

11. Analysis of net assets among funds – 2022	Restricted funds	Designated funds	General un-restricted Funds	Total
	£	£	£	£
Balance at 31 July 2021	-	1,245,234	9,170,436	10,415,670
Incoming resources	15,652	1,042	4,028,708	4,045,402
Outgoing resources	(15,652)	(242,467)	(4,023,265)	(4,281,384)
	-----	-----	-----	-----
Net (outgoing)/incoming resources before transfers and investment gains	-	(241,425)	5,443	(235,982)
Investment gain (realised and unrealised)	-	14,311	-	14,311
Transfer between funds	-	241,425	(241,425)	-
	-----	-----	-----	-----
Balance at 31 July 2022	-	1,259,545	8,934,454	10,193,999
	=====	=====	=====	=====
Represented by:				
Tangible fixed assets	-	-	6,867,175	6,867,175
Fixed asset investments	-	1,251,109	-	1,251,109
Net current assets	-	8,436	2,067,279	2,075,715
	-----	-----	-----	-----
Total net assets	-	1,259,545	8,934,454	10,193,999
	=====	=====	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

11. Analysis of net assets among funds – 2021	Restricted funds £	Designated funds £	General un- restricted Funds £	Total £
Balance at 31 July 2020	-	1,045,371	9,387,437	10,432,808
Incoming resources	75,925	2,665	3,631,195	3,709,785
Outgoing resources	(75,925)	(137,332)	(3,711,354)	(3,924,611)
Net incoming/(outgoing)resources before transfers and investment gains	-	(134,667)	(80,159)	(214,836)
Investment gain (realised and unrealised)	-	197,688	-	197,688
Transfer between funds	-	136,842	(136,842)	-
Balance at 31 July 2021	-	1,245,234	9,170,436	10,415,670
Represented by:				
Tangible fixed assets	-	-	7,072,771	7,072,771
Fixed asset investments	-	1,236,798	-	1,236,798
Net current assets	-	8,436	2,097,665	2,106,101
Total net assets	-	1,245,234	9,170,436	10,415,670

Designated funds

Bursary fund

The fund is to be used to provide means tested bursaries. The fund will also generate income to assist in funding such bursaries. During the period the fund generated income of £nil (2021: £Nil) and funded bursaries amounting to a cost of £241,425 (2021: £136,842). The Trustees decided during the period to make a transfer of £241,425 (2021: £136,842) from the general unrestricted funds to the designated bursary fund. The remaining fund balance at 31 July 2022 was £1,251,109 (2021: £1,236,798).

Friends of Cargilfield

During the year, the Friends of Cargilfield raise funds for the school which are treated as designated funds. During the year income of £1,042 (2021: £2,665) was received and £1,042 (2021: £490) was expended. The fund balance at 31 July 2022 was £8,436 (2021: £8,436).

Restricted funds

Nursery Partnership Fund

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £15,652 (2021: £75,925) was received and expended during the year.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

12. Pension commitments

- (a) Cargilfield School participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an increase in the employer contribution rate from 17.2% to 23% of pensionable pay from 1 September 2019 and an anticipated yield of 9.4% employee contributions.
- (b) Cargilfield School has no liability for other employers' obligations to the multi-employer scheme.
- (c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.
- (d) (i) The scheme is an unfunded multi-employer defined benefit scheme.
(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Cargilfield School is unable to identify its share of the underlying assets and liabilities of the scheme.
(iii) The employer contribution rate for the period from 1 April 2021 is 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay.
(iv) While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that the current employer contribution rates would stay in force until 1 April 2024.
(v) Cargilfield School's level of participation in the scheme is 0.0443% based on the proportion of employer contributions paid in 2020-21.

The total pension cost of this scheme for the period was £299,781 (2021: £290,277) and has been charged to the SOFA. At 31 July 2022 contributions amounting to £24,636 (2021: £24,229) were payable and are included in creditors.

Some non-teaching staff participate in a defined contribution scheme. The pension cost for the year amounted to £29,943 (2021: £27,532). At 31 July pension costs of £2,395 (2021: £2,250) were payable and included in creditors.

13. Related party transactions

Certain of the Governors are parents of pupils at the School and as such have transactions in relation to the payment of school fees on the same basis as other parents.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

14. Commitments under operating leases

At 31 July 2022, the total commitments payable under non-cancellable operating leases for equipment, falling due:

	2022	2021
	£	£
Within 1 year	29,600	32,527
Within 2 to 5 years	54,411	51,275
	-----	-----
	84,011	83,802
	=====	=====

The amounts paid under operating lease rentals during the year amounted to £35,527 (2021: £31,771).

15. Capital commitments

	2022	2021
	£	£
Contracted but not provided for	17,712	36,152
	=====	=====