

Co House

Company No. SC025080
Charity No. SC005757

CARGILFIELD SCHOOL
(A Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 July 2019

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CARGILFIELD SCHOOL

REPORT of the GOVERNORS and FINANCIAL STATEMENTS

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CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2019

The Governors have pleasure in presenting their annual report for the year ended 31 July 2019 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 Bucknall²

Mrs C Cook^{1, 2} (Vice Chair)

Mrs S Hamilton (appointed 19 November 2018)

Mr R M Leckie¹

Ms E Logan³

Mr G C Macleod

Mr A McGregor³

Mr D Nisbet^{1, 2} (Chair)

Mr R J Pim¹ (resigned 19 November 2018)

Professor M Wood³

Mrs S E W Younger^{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 2018/19 year, the following Governors were also parents: Mr Leckie

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
Auditor	-	Scott-Moncrieff, Exchange Place 3, Semple Street, Edinburgh, EH3 8BL
Bankers	-	The Royal Bank of Scotland PLC, 36 St Andrew Square, Edinburgh, EH2 2YB
Solicitors	-	Dentons UK & Middle East LLP, Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Investment Advisors	-	Seven Investment Management, Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2019

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 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 early October – something that we organised for the first time in 2017.

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.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Supported by a strong Senior Management Team, Cargilfield is led by its Headmaster Rob Taylor. Previously Registrar of Harrow School, and before that Head of Ashdown House Prep School, Rob and his family took up residence at the start of the Autumn Term 2014.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

In the 2018/19 academic year, pupil numbers were similar to last year with numbers rising to 324 by the start of the Summer Term, with 134 in the 3-8 Pre-Prep age group and 190 in the 8-13 Upper School. Flexible boarding arrangements remained a key part of the character of Cargilfield, with about 50 children resident for all or part of the week. The advantages of a boarding culture are apparent in the offering of evening clubs and academic extras and the vibrancy 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. For 2019/20 we plan to organise taster nights for younger children to try boarding with their own year group.

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 mental health first aid, underpinned by a school counsellor, who is available to support both children and their families. Our senior children have undertaken a revised course of instruction and discussion in Personal, Health and Social Education, working more informally in small groups on Wednesday evenings. We have organised training sessions for staff and parents alike, which have included internet safety training and a presentation on the impact of anxiety on children by a leading writer and speaker on child psychology. A group of senior children are also undertaking training as anti-bullying ambassadors.

The School Nursery was 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.' The last year saw us establish a successful Beach Nursery programme, whereby, topics such as sustainability, environmental awareness and positive action are introduced through experiential learning outdoors in a natural setting.

With an average of 16 pupils per class across the School, class sizes remained appropriate to the Cargilfield approach. In Form 8, 35 children sat 13+ Scholarship or Common Entrance, with all gaining entry into their chosen senior schools. In addition, eight children in Form 8 who were young enough to remain at Cargilfield for another year, also took Common Entrance examinations which were marked internally. Thirteen scholarships were won by the leaving cohort and these included the top academic awards at Glenalmond and Strathallan. We are proud of the School's strong record for awards over the last ten years and there looks to be an especially strong group of academic scholars coming through next year.

The destination schools remain as diverse as the talents of the pupils themselves, and this year included Dollar Academy, Eton College, Fettes College, George Heriot's School, Glenalmond College, Gordonstoun, Harrow School, Kilgraston School, King's School Canterbury, Merchiston Castle School, Oundle School, Pangbourne College, Radley College, Rugby School, Shrewsbury School, Strathallan School, Stewart's Melville College and Uppingham School.

Other academic highlights for the year included: our second Book Festival; our first STEM Day for Forms 4&5; our second French trip for children in Form 7; the Maths team winning the Scottish heats of the UK Maths Challenge for the seventh successive year; and our best performance yet in the Townsend Warner History competition for prep schools across Britain, including a 12th place individual finish. Next year we are looking forward to our first exchange programme for children and staff with St Paul's School in Maryland, U.S.A.

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. Some re-organisation of the Art Room gave us improved facilities for pottery with a potters' wheel and a new kiln. In music, we have enthusiastic junior and senior choirs that perform every week in chapel and enjoy travelling to events such as the annual Glenalmond Choral Day. This year saw our second choir tour to Durham and Northumberland and an arts performance including drama, art and music at Rosslyn Chapel. All children are encouraged to play an instrument, and the year saw the further extension of group activities from trios to quintets including two incredibly strong pipe bands. The teaching of music theory is now a core experience at Cargilfield with about a third of children in the Upper School working towards external exams.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

We are proud that every child took part in a drama production during the year, be it school or year group plays, which some children took further with opportunities through the Drama Club productions, while a group of Form 7 and 8 children appeared in a joint production at the Edinburgh Fringe Festival with a handful of English schools under the banner of the Aquila Theatre Group. Debating is now a key part of the curriculum for children in the Upper School. We have hosted the Scottish Prep Schools Debating Competition for the last three years, and fielded teams in other Scottish competitions where we are often the only junior school competing.

Sport and outward-bound activities remain core to Cargilfield's distinctive offering. Games are played every afternoon and allow a mix of activities for girls and boys. While sport can be a life-long passion for some, making it fun for all has to be at the heart of any prep school. The 2018/19 year was another successful one on the games field with both Under 11 boys' and girls' hockey teams and the Under 13 boys' hockey team making the later stages of the IAPS National Hockey Finals. For the third year, we have hosted a rugby 7s tournament for under 11 boys, although this was the first year where we extended the tournament for under 11 girls' hockey. A number of boys and girls were successful in winning all-rounder and sports scholarships to their senior schools while others represented Scottish prep school, regional and national teams in a variety of sports.

During the year we completed the construction of a new astroturf playing surface to support our coaching of all ages and abilities across a range of boys' and girls' sports. The new astroturf courts were constructed partially on the site of tennis courts that had been built in the memory of a former pupil and head boy of Cargilfield, who subsequently served as a governor of the School between 1927 and 1958. In February 2019 the new tennis courts were officially opened and named in his memory by his grandson, who had also served as head boy at Cargilfield during the 1960s. The new astroturf hockey pitches were named in memory of two brothers, both former pupils of Cargilfield, one a former head boy and one an Olympic rowing silver-medalist, who had both been killed on active service within a few miles of each other during the Great War. The new hockey pitches were named in memory of the brothers by their great nephew, a BBC television presenter, following which the School held its first former pupils' hockey match, which is now expected to become an annual event.

These new facilities also allowed us to run mixed abilities holiday hockey and tennis camps for Cargilfield and other local children during the Autumn half-term and Summer holidays.

The School makes good use of its opportunities in the Scottish countryside. All children in the Upper School have the option to take part in camping trips through the year – and we have developed many intrepid Munro-baggers, canoeists, cyclists and climbers. In Form 7, the whole year group visit the Burn Estate in Kincardineshire for a two-day Geography and Science Field trip. A group of Form 7 children were also invited to take part in a three-day sailing expedition off the west coast of Scotland. A team of Cargilfield children were successful in winning the Gordonstoun Challenge for the first time in living memory. Other teams have attended similar competitions at St Mary's Melrose and will be involved in the inaugural 1847 Challenge at Glenalmond in September.

Other activities that have been prominent this year have included: the re-introduction of a chess club to support curriculum chess for Form 4; the introduction of an eco-club examining how we use our resources around school; the introduction of a padel club to reflect the birth of this new sport and the introduction of an ice-skating club following a request from the School Council.

Against the background of enthusiastic staff and pupils, the School has to be fit for purpose. In addition to the new astroturf sports facilities, the last ten years have seen the addition of two new classroom blocks, a new music school, and a substantial changing room facility. Over the last five years, the focus has also been on more mundane, but perhaps more critical, programmes of repair and renewal. The School has completed a major re-roofing project covering the main building and the Chapel, renewed boilers and electrical connections, as well as investing to update our systems and practices in respect of IT, asbestos, water and fire. We have reviewed and updated our approach to property management and health & safety, working with appropriate professional advisers and ensuring adequate training of all staff. A very visible manifestation of this review has been the repairs and alterations to the on-site roadways, which have allowed us to improve parking and ensure School grounds are as safe as possible.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

In addition to building and re-laying sports pitches in the Summer / Autumn of 2018, we have refurbished our Chapel and Theatre, with the project partially paid for using funds raised by Friends of Cargilfield, and are introducing new audio/visual equipment to better serve the increasing number of visiting speakers coming to the School. We have also recently completed projects to refurbish the Pre-Prep building ahead of celebrating its 40th anniversary in Autumn 2019 and to introduce new medical, counselling and meeting rooms within the main school building. A new bathroom and staff flat within the girls' boarding wing have been welcome improvements.

In IT, a series of new initiatives continue to improve the base infrastructure and allow the expansion of technology into teaching and learning. Building on the significant upgrade to broadband capacity completed previously, the servers, Wi-Fi and support systems continue to be improved. Staff are continuing to evaluate the greater integration of iPads and smart boards into curriculum delivery, and the Education Committee continues to work alongside the Senior Management Team to scope out the best strategies for training and development. We are preparing to introduce a new Management Information System that will be used much more widely by staff than the previous system – this will also be our first significant application to be hosted in the cloud rather than locally hosted on School servers and it is expected that other applications will follow in the future. For the pupils themselves, ICT was re-branded as Computer Science to reflect the changing nature of the curriculum with additional opportunities for advances in coding offered both within the School curriculum and through external clubs. We are supported further by a new IT Apprentice who was successfully recruited towards the end of the year to provide first line IT support to pupils and staff.

The School undertook a review of Health and Safety practice and went through a process to select new Health and Safety advisors. The Senior Management team also examined their own roles to create a Business Continuity Plan.

From a marketing and communication standpoint, the School has established a new minibus route to collect pupils from Murrayfield and the West End of Edinburgh. We held our second open morning with our senior pupils heavily involved. We have also made efforts to communicate more effectively with former pupils, adding a data capture page to our website to record their information and producing a twice-yearly newsletter to stay in touch with them. Our fortnightly newsletter to parents has also been switched to a new digitally-friendly format.

The Governors have continued to review their approach to the oversight of the School. In terms of training and the assimilation of best practice, the Governors have continued to attend a series of INSET training activities throughout the year. At their meetings, they have considered strategies for fund-raising to support bursaries and future capital developments. With this in mind, they have examined the School's Bursary Policy and supported the Senior Management Team in a process of highlighting development priorities. The climate of increasing demands upon Scottish independent schools have challenged the governors to look carefully at fee and pay structures in the light of the impending loss of Business Rates Relief, increased employer contributions to teachers' pensions and upward pressure on teachers' salaries in the state-maintained sector in Scotland. The Education and Welfare Committee continued its work in guiding developments in pastoral care, especially with a view to counselling and children's mental health. They have also looked at curriculum matters with a particular focus on the structure of academic departments and how this will help improvement planning. A new Safeguarding Committee of governors is working towards establishing precise reporting criteria so that potential issues can be monitored most effectively.

CHARITABLE ACTIVITIES

Cargilfield is proud of its position in the community. Cargilfield buildings and grounds are available to hire for a wide range of activities and events. Within the community the Pipe Band plays regularly in the local area; the Chapel Choir visits nearby nursing homes, as do other groups of children and Cargilfield continues to maintain its very close links with Cramond Kirk. The Sports Hall is used regularly by various groups in the Edinburgh area for badminton, cricket, fencing, football and hockey in particular. In addition, the School allowed Royal High & Corstorphine Cricket Club to use its grounds for matches this year and hosted one of their visiting coaches. Cramond Primary School use many facilities at the School throughout the course of the year, 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, hockey and Young Engineers are also hosted. The annual Christmas Fair is open to the public and continues to be very popular. 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.

During the year, children and parents of Cargilfield have raised in excess of £10,000 for various charitable causes. The children were involved in selecting the three main charities for fund-raising events involving parents, staff and children. For 2018/19, these were The Yard, Spartans Community Football Project and Pilton Youth Project. The main focus for the pupil's fund-raising efforts continues to be the School Summer Fair and the annual Pentland Round sponsored walk, for which all of the Upper School (and many in the Pre-Prep) walk 13 miles through our local hills. In addition, pupils, parents and staff organise cake and toy sales, discos and ceilidhs during the year to boost the fundraising totals. Collections at the end of term services also raised funds for the Almond Mains Initiative, a local service providing meals and day care for over 65s whilst one-off activities during the year saw the children raising funds for Poppy Scotland, Children in Need and Build Africa. Children and staff in the Nursery were involved in the national 'Oor Wullie' campaign to raise funds for the Edinburgh Children's Hospital.

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 Won an academic scholarship to a major Scottish boarding school
- Boy 1 Won a music and academic scholarship to a major Scottish boarding school
- Girl 2 Was appointed a prefect and won a music scholarship to a major Scottish boarding school
- Boy 2 Was appointed a prefect and won an all-rounder scholarship to a major Scottish boarding school

The total number of means tested bursaries awarded was 14 (2018: 14), with an annual value of £178,028 (2018: £163,908). Three pupils received 100% bursaries during the year (2018: 3) and a further three pupils received bursaries of 90% or above (2018: 4). The School continues its ongoing support for this purpose, and the value of the designated Bursary Fund at 31 July 2019 was £1,019,583 (2018: £1,028,359).

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2019

BURSARY AWARDS (continued)

Review and analysis of performance during the current year

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).

Key performance indicators

The Senior Management Team, comprising the Head, the Assistant Head, the two Deputy Heads, the Director of Studies 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

FINANCIAL REVIEW

As reported in the Statement of Financial Activities, fees receivable increased slightly from £3,471,206 to £3,653,197, an increase of 5.2%. Other sources of income increased by £87,982 to £598,939.

Total resources expended increased from £3,732,441 to £3,837,175, an increase of 2.8%.

Investments in fixed assets totalled £882,422 (2018: £193,545), being the remaining stage payments for the new astroturf project, refurbishment / remodelling in the Pre-Prep building and girls' boarding wing plus new audio-visual equipment for the stage and expenditure on computer equipment including a new server. All the investment was funded out of the School's cash reserves.

Financial position at 31 July 2019

General unrestricted funds

General unrestricted funds represent the funds arising from past operating results. The general unrestricted funds are presently £9,313,187 (2018: £8,905,858). 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 2019 are £1,979,842 (2018: £2,193,776) which represents approximately 6.6 months of cash expenditure.

During the year the School received £36,392 (2018: £9,430) in donations and legacies of which £21,000 was donated by former pupils and parents of former pupils. 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.

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 decreased slightly to £1,019,583 (2018: £1,028,359). During the year, the Governors decided to transfer £178,030 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.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2019

FINANCIAL REVIEW (continued)

Friends of Cargilfield

During the period the Charity received funds of £4,926 (2018: £1,276) 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. The School also benefitted from improvements to the chapel to the value of £19,282 which were paid for directly by Friends of Cargilfield from fund raising activities during the year. This group has a committee which is independent of the Charity's Board of Governors. All the funds held in the current period and previous year was spent, under the Friends of Cargilfield's instructions, leaving no funds held at the end of the accounting periods.

In the future the Friends of Cargilfield intend to establish itself formally as a registered charity and it now maintains its own accounts and banking arrangements separate from the School.

Restricted funds

Nursery Partnership Fund

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £63,487 was received and expended during the year (2018: £67,899).

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 decreased by 0.8% during the year, which was in line with the change in the FTSE100 Index. The Board reviews its investment policy and manager regularly, and this year elected to move the monies to the Ethical Fund of CCLA (Churches, Charities and Local Authorities) Investment Management.

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

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

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

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 motivated and professional staff.

It is the view of the Board that the current pupil roll of around 300 allows the breadth of curriculum to be sustained against a solid financial background. The strategy for intake at the Pre-Prep and Upper School levels will be structured around that level, with appropriately sized classes.

Key initiatives for the year ahead include: the reorganisation of the academic structure and improvement planning; further initiatives for staff development and training; exploring how to make better use of the School library; and the first USA exchange visits to and from St Paul's. The year will see celebrations for the 40th anniversary of the founding of the Pre-Prep, and we will also be commemorating the 80th anniversary of the evacuation of the School to Lawers in Perthshire at the start of the Second World War. 2019 will also see the commencement of planning for the 150th anniversary of the founding of Cargilfield which will take place in 2023. In the meantime, the School will continue its programme of development and improvements to the physical infrastructure of the School, with further investments to be made in the boarding wings, sports facilities and IT infrastructure. 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 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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 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

Scott-Moncrieff is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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

18TH NOVEMBER 2019 and signed on its behalf by:



Mr D Nisbet
Chairman

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 for the year ended 31 July 2019 which comprise the Statement of Financial Activities (including 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 Financial Reporting Standard 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 2019, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS AND MEMBERS OF

CARGILFIELD SCHOOL (A Company Limited by Guarantee) (continued)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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 Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

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 Governors' Report (incorporating the Strategic Report).

We have nothing to report in respect of the following matters where the Companies Act 2006 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 returns adequate for our audit have not been received from branches not visited by us; 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 11, the Governors (who are the directors for the purposes of company law and Trustees for the purposes of charity law) 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS AND MEMBERS OF

CARGILFIELD SCHOOL (A Company Limited by Guarantee) (continued)

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.

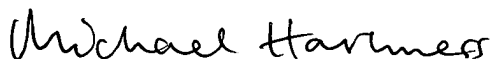
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charitable Company's Governors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so we might state to the Charitable Company's members, as a body, and the Charitable Company's Governors, as a body, those matters which we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members, as a body, and the Charitable Company's Governors, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Harkness, Senior Statutory Auditor

For and on behalf of Scott Moncrieff, Statutory Auditor
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

U November 2019

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 July 2019

	Note	Restricted Funds £	Designated Funds £	Un- Restricted Funds £	Total 2019 £	Restricted Fund £	Designated Funds £	Un- Restricted Funds £	Total 2018 £
Income and endowments									
Donations and legacies		-	4,926	31,466	36,392	-	126	9,304	9,430
Charitable activities									
School fees receivable	2	63,487	-	3,589,710	3,653,197	67,899	-	3,403,307	3,471,206
Other ancillary trading income	3	-	-	520,130	520,130	-	-	473,534	473,534
Other trading activities		-	-	16,895	16,895	-	-	8,615	8,615
Investments		-	15,007	10,515	25,522	-	14,141	5,237	19,378
Total income		63,487	19,933	4,168,716	4,252,136	67,899	14,267	3,899,997	3,982,163
Expenditure									
Raising funds	5	-	11,308	11,461	22,769	-	9,536	9,430	18,966
Charitable activities	5	63,487	179,023	3,571,896	3,814,406	67,899	163,908	3,481,668	3,713,475
Total expenditure		63,487	190,331	3,583,357	3,837,175	67,899	173,444	3,491,098	3,732,441
Net (loss)/gains on investments		-	(12,477)	-	(12,477)	-	58,891	-	58,891
Net (expenditure)/income		-	(182,875)	585,359	402,484	-	(100,286)	408,899	308,613
Transfer between funds	11	-	178,030	(178,030)	-	-	163,781	(163,781)	-
Net movement in funds		-	(4,845)	407,329	402,484	-	63,495	245,118	308,613
Reconciliation of funds:									
Total funds brought forward	11	-	1,028,359	8,905,858	9,934,217	-	964,864	8,660,740	9,625,604
Total funds carried forward	11	-	1,023,514	9,313,187	10,336,701	-	1,028,359	8,905,858	9,934,217

All income resources are derived from continuing activities.

The notes on pages 18 to 28 form part of these financial statements.

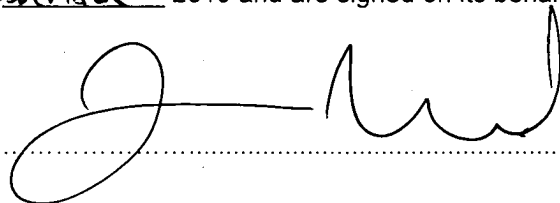
CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

BALANCE SHEET

As at 31 July 2019

	Notes	£	31 July 2019 £	31 July 2018 £
Fixed assets				
Tangible assets	6		7,337,276	6,712,082
Investments	7		1,019,583	1,028,359
			<u>8,356,859</u>	<u>7,740,441</u>
Current assets				
Debtors	8	218,886		187,303
Cash at bank and in hand		2,266,483		2,462,625
		<u>2,485,369</u>		<u>2,649,928</u>
Creditors: amounts falling due within one year	9	505,527		456,152
Net current assets			<u>1,979,842</u>	<u>2,193,776</u>
Net assets			<u>10,336,701</u>	<u>9,934,217</u>
Funds				
General unrestricted funds	11		9,313,187	8,905,858
Designated funds	11		1,023,514	1,028,359
Restricted funds	11		-	-
			<u>10,336,701</u>	<u>9,934,217</u>

These financial statements were approved by the Board of Governors and authorised for issue on 18TH NOVEMBER 2019 and are signed on its behalf by:



Chair

Mr D Nisbet



Vice Chair

Mrs C Cook

Company No. SC025080

The notes on pages 18 to 28 form part of these financial statements.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

STATEMENT of CASH FLOW

For the year ended 31 July 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by operating activities	1a	664,459	489,430
Cash flows from investing activities			
Dividends, interest and rents from investments		15,007	14,141
Interest received		10,515	5,237
Purchase of property, plant and equipment		(882,422)	(193,545)
Proceeds from sale of investments		119,689	235,252
Purchase of investments		(144,867)	(230,000)
Net cash used in investing activities		(882,078)	(168,915)
Change in cash and cash equivalents in the year		(217,619)	320,515
Cash and cash equivalents at the beginning of the year		2,493,990	2,173,475
Cash and cash equivalents at the end of the year		2,276,371	2,493,990
Analysis of cash and cash equivalents			
Cash in bank		2,266,483	2,462,625
Cash held by investment managers		9,888	31,365
		2,276,371	2,493,990
Note 1a Reconciliation of net incoming resources to net cash inflow from ordinary activities		2019 £	2018 £
Net income for the year		402,484	308,613
Adjustments for:			
Depreciation charges		257,228	250,967
Loss/(gains) on investments		12,477	(58,891)
Income from investments		(15,007)	(14,141)
Interest received		(10,515)	(5,237)
Increase in debtors		(31,583)	(48,067)
Increase in creditors		49,375	56,186
Net cash inflow from ordinary activities		664,459	489,430

The notes on pages 18 to 28 form part of these financial statements.

NOTES on the FINANCIAL STATEMENTS

For the year ended 31 July 2019

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.

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

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.

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

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 2019

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	2019	2018
	£	£
The School's fee income comprised:		
Gross fees	4,312,206	4,047,969
<u>Less:</u> Means tested bursaries	(178,028)	(163,908)
Grants and discounts	(480,981)	(412,855)
	-----	-----
	3,653,197	3,471,206
	=====	=====

3. Other ancillary trading income	2019	2018
	£	£
Flexi-boarding	87,161	85,502
After school club	63,060	67,555
Clubs and activities	363,074	312,882
Other	6,835	7,595
	-----	-----
	520,130	473,534
	=====	=====

4. Staff costs	2019	2018
	£	£
Salaries and wages	2,010,382	1,900,678
Social security costs	175,558	164,142
Other pension costs	247,384	221,411
	-----	-----
	2,433,324	2,286,231
	=====	=====

The Governors received no remuneration (2018: £Nil) and three (2018: two) governors were reimbursed for expenses totalling £1,032 (2018: £508).

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

	2019	2018
	No.	No.
Teaching	44	44
Domestic	9	10
Maintenance	4	4
Office	10	12
	-----	-----
	67	70
	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

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 and pension) amounted to £475,178 (2018: £450,134). In addition, members of key personnel are entitled to receive a discount on their children's school fees amounting to 85% (2018: 85%).

One employee earns remuneration in the band £90,000 - £100,000 (2018: 1 employee £80,000 - £90,000) and had retirement benefits accruing under a defined benefit scheme of £16,026 (2018: £15,712). One employee earned in the band £60,000 - £70,000 and had benefits accruing under a defined contribution scheme of £6,212. No other employee earns more than £60,000 per annum.

5. Expenditure	Staff costs	Other	Depreciation	2019 Total
	£	£	£	£
(a) Analysis of total resources expended - 2019				
Charitable activities				
School operating costs:				
Teaching costs	1,838,366	111,128	-	1,949,494
Welfare costs	152,651	305,692	-	458,343
Premises	113,600	278,308	199,886	591,794
Support and governance costs	328,707	428,726	57,342	814,775
	<u>2,433,324</u>	<u>1,123,854</u>	<u>257,228</u>	<u>3,814,406</u>
Raising funds				
Investment manager fees	-	11,308	-	11,308
Fundraising payments	-	11,461	-	11,461
	<u>2,433,324</u>	<u>1,146,623</u>	<u>257,228</u>	<u>3,837,175</u>

	Staff costs	Other	Depreciation	2018 Total
	£	£	£	£
(a) Analysis of total resources expended - 2018				
Charitable activities				
School operating costs:				
Teaching costs	1,731,747	107,281	-	1,839,028
Welfare costs	141,315	293,919	-	435,234
Premises	104,336	298,383	194,376	597,095
Support and governance costs	308,833	476,694	56,591	842,118
	<u>2,286,231</u>	<u>1,176,277</u>	<u>250,967</u>	<u>3,713,475</u>
Raising funds				
Investment manager fees	-	9,536	-	9,536
Fundraising payments	-	9,430	-	9,430
	<u>2,286,231</u>	<u>1,195,243</u>	<u>250,967</u>	<u>3,732,441</u>

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

5. Expenditure (continued)

(b) Support and governance costs	2019	2018
	£	£
Support costs		
Salary costs	328,707	308,833
Motor and transport	51,265	47,112
Administration costs	92,840	171,873
Computer maintenance	45,596	41,679
Legal and professional fees	28,359	40,128
Clubs and activities	196,575	164,919
Bad debts	13	(462)
Depreciation	57,342	56,591
	800,697	830,673
Governance costs		
Auditor's remuneration	7,533	6,917
Governors' expenses	1,460	290
Inspection	5,085	4,238
	14,078	11,445
Total	814,775	842,118

6. Fixed assets - tangible assets	Freehold land and buildings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 31 July 2018	8,829,358	698,543	269,858	107,917	9,905,676
Additions	801,151	35,485	45,786	-	882,422
At 31 July 2019	9,630,509	734,028	315,644	107,917	10,788,098
Depreciation					
At 31 July 2018	2,277,855	612,055	198,383	105,301	3,193,594
Provided for the period	199,886	16,968	37,758	2,616	257,228
At 31 July 2019	2,477,741	629,023	236,141	107,917	3,450,822
Net book value at 31 July 2019	7,152,768	105,005	79,503	-	7,337,276
Net book value at 31 July 2018	6,551,503	86,488	71,475	2,616	6,712,082

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

7. Fixed assets – investments	2019	2018
	£	£
Quoted investments	1,009,695	996,994
Cash held as part of portfolio	9,888	31,365
	-----	-----
	1,019,583	1,028,359
	=====	=====
Quoted investments		
Cost at 31 July 2018	847,238	764,622
Net unrealised gain	149,756	178,733
	-----	-----
Market value at 31 July 2018	996,994	943,355
Purchases at cost	144,867	230,000
Disposals at opening market value	(128,099)	(217,982)
Net unrealised (loss)/gain	(4,067)	41,621
	-----	-----
Market value at 31 July 2019	1,009,695	996,994
	=====	=====
Cost at 31 July 2019	862,105	847,238
	=====	=====
Net unrealised gain included above on investment assets	147,590	149,756
	=====	=====
Reconciliation of movements in unrealised losses on investment assets		
Net unrealised gains at 31 July 2018	149,756	178,733
Movement in respect of disposals in period	1,901	(70,598)
	-----	-----
	151,657	108,135
Net (loss)/gain arising on revaluation in period	(4,067)	41,621
	-----	-----
Unrealised gain at 31 July 2019	147,590	149,756
	=====	=====

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

8. Debtors	2019	2018
	£	£
Debtors	134,625	114,709
Prepayments and accrued income	84,261	72,594
	-----	-----
	218,886	187,303
	=====	=====
9. Creditors: amounts falling due within one year	2019	2018
	£	£
Other tax and social security	52,781	49,680
Other creditors	219,488	224,539
Fees paid in advance	67,677	76,293
Accruals	165,581	105,640
	-----	-----
	505,527	456,152
	=====	=====

CARGILFIELD SCHOOL
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NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

10. Financial instruments	2019	2018
	£	£
Financial assets measured at amortised cost:		
Debtors	134,625	114,709
Cash and cash equivalents	2,276,371	2,493,990
	<u>2,410,996</u>	<u>2,608,699</u>
	=====	=====
Financial liabilities measured at amortised cost:		
Other creditors	219,488	224,539
Accruals	140,061	83,181
	<u>359,549</u>	<u>307,720</u>
	=====	=====
Financial assets at fair value through profit or loss:		
Investments in equity instruments	1,009,695	996,994
	<u>=====</u>	<u>=====</u>

11. Analysis of net assets among funds - 2019	Restricted funds	Designated funds	General un-restricted Funds	Total
	£	£	£	£
Balance at 31 July 2018	-	1,028,359	8,905,858	9,934,217
Incoming resources	63,487	19,933	4,168,716	4,252,136
Outgoing resources	(63,487)	(190,331)	(3,583,357)	(3,837,175)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net incoming/(outgoing)resources before transfers and investment gains	-	(170,398)	585,359	414,961
Investment loss (realised and unrealised)	-	(12,477)	-	(12,477)
Transfer between funds	-	178,030	(178,030)	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Balance at 31 July 2019	-	1,023,514	9,313,187	10,336,701
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Represented by:				
Tangible fixed assets	-	-	7,337,276	7,337,276
Fixed asset investments	-	1,019,583	-	1,019,583
Net current assets	-	3,931	1,975,911	1,979,842
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total net assets	-	1,023,514	9,313,187	10,336,701
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

CARGILFIELD SCHOOL
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NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

11. Analysis of net assets among funds - 2018	Restricted funds £	Designated funds £	General un- Restricted Funds £	Total £
Balance at 31 July 2017	-	964,864	8,660,740	9,625,604
Incoming resources	67,899	14,267	3,899,997	3,982,163
Outgoing resources	(67,899)	(173,444)	(3,491,098)	(3,732,441)
Net incoming/(outgoing) resources before transfers and investment gains	-	(159,177)	408,899	249,722
Investment gain (realised and unrealised)	-	58,891	-	58,891
Transfer between funds	-	163,781	(163,781)	-
Balance at 31 July 2018	-	1,028,359	8,905,858	9,934,217
Represented by:				
Tangible fixed assets	-	-	6,712,082	6,712,082
Fixed asset investments	-	1,028,359	-	1,028,359
Net current assets	-	-	2,193,776	2,193,776
Total net assets	-	1,028,359	8,905,858	9,934,217

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 £15,007 (2018: £14,141) and funded bursaries amounting to a cost of £178,028 (2018: £163,908). The Trustees decided during the period to make a transfer of £178,030 (2018: £163,781) from the general unrestricted funds to the designated bursary fund. The remaining fund balance at 31 July 2019 was £1,019,583 (2018: £1,028,359).

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 £4,926 (2018: £1,276) was received and £995 (2018: £1,276) was expended. The School also benefited from improvements to the chapel to the value of £19,282 which were paid for directly by Friends of Cargilfield from their own fund raising activities during the year. The remaining fund balance at 31 July 2019 was £3,931 (2018: £nil).

Restricted funds

Nursery Partnership Fund

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £63,487 (2018: £67,899) was received and expended during the year.

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

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 set contribution rates from 1 September 2019 at 23%.
- (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 from 1 April 2015 was 14.9% of pensionable pay and increased to 17.2% from 1 September 2015. The employer contribution rate increased to 23% on 1 September 2019. While the employee rate applied is a variable it will provide an actuarial yield of 9.6% of pensionable pay.
(iv) At the last valuation a shortfall of £1.3 billion was identified in the notional fund which will be repaid by a supplementary rate of 4.5% of employer's pension contributions for fifteen years from 1 April 2015. This contribution is included in the 17.2% employer's contribution rate.
(v) Cargilfield School's level of participation in the scheme is 0.054% based on the proportion of employer contributions paid in 2016-17.

The total pension cost of this scheme for the period was £231,482 (2018: £210,267) and has been charged to the SOFA. At 31 July 2019 contributions amounting to £18,397 (2018: £17,904) 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 £15,902 (2018: £11,144). At 31 July pension costs of £1,994 (2018: £1,626) 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.

14. Commitments under operating leases

At 31 July 2019, the total commitments payable under non-cancellable operating leases for equipment, falling due:

	2019	2018
	£	£
Within 1 year	49,436	47,837
Within 2 to 5 years	82,505	66,678
	-----	-----
	131,941	114,515
	=====	=====

CARGILFIELD SCHOOL
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NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

15. Capital commitments

	2019	2018
	£	£
Contracted but not provided for	109,550	714,941
	=====	=====