

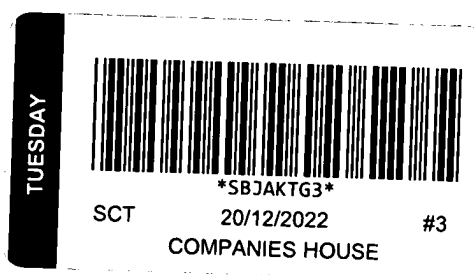
Company No. SC008667  
Charity No. SC012632

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ST GEORGE'S, EDINBURGH  
(A Company Limited by Guarantee)

DIRECTORS' REPORT and ACCOUNTS

For the year ended 31 July 2022



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**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022**

The Directors 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 and the Charities Accounts (Scotland) Regulations 2006, 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 Memorandum and Articles of Association and the Charities SORP 2019.

**Summary of the year ending 31 July 2022**

St George's takes pride in its status as the only all-through girls' school in Edinburgh. During session 2021-2022 we continued to work hard to ensure that the very high standard of education provided by the school remained coherent and progressive from Nursery right through to Sixth Form.

The academic year 2021-22 saw a continuation of some COVID-19 restrictions, but we were delighted to be able to return to a great many of the activities that characterise our rounded education. Our Remove students were amongst the first in Scotland to return to an outdoor education camp, in September 2021, and in the course of the year Primary 5, Primary 6, Remove and Lower 4 all had the opportunity to attend a residential outdoor education camp. The physical and mental wellbeing of the whole community continued to be a priority for us. Regular, anonymous wellbeing questionnaires allowed us to monitor morale and be alert to any significant issues that staff were encountering. Where possible we held Assemblies outdoors, to enable year groups and sections of the school to gather together, recognising the importance of personal, face to face interaction. As large gatherings and singing were not permitted, it was not possible to hold our normal Carol Services in December. We were proud, however, to be able to put on a musical, *Sister Act*, in the Upper School in November, and then to hold a new event, the Lower School Showcase, which took as its title *Unheard Voices*, in March. Although parents were not able to come into school to watch these performances, they were shared with student audiences, and provided an important opportunity for our performers. Concerts returned from the end of the Spring Term and were managed safely and successfully.

We were delighted that so many of our overseas boarders were able to return to us in person in August. The Houldsworth staff worked hard to create a safe environment within the House, while retaining as much as possible of the 'home from home' environment on which we pride ourselves. We worked closely with the Care Inspectorate in all our preparations. Over the course of the year we were able to return to offering flexi-boarding to our families.

The school continues to offer what we regard as the Best of British in our examination diet, with a view to providing the best possible educational experience for its students. Accordingly, to ensure breadth and appropriate depth of learning, students in fifth form (S3 and S4) undertake GCSE courses, while older students take Scottish qualifications, usually Highers and Advanced Highers. We keep examination provision under constant review, nonetheless, maintaining awareness of what is available, to ensure that we offer our candidates the most appropriate courses and qualifications. We were extremely proud of the achievements of our examination candidates, whose results this year were achieved in the first set of public examinations undertaken since the summer of 2019.

During 2021-2022 St George's School continued to benefit the public directly through its provision of high quality education to just under 720 pupils aged from 3-18, including 48 boarders. The level of fees charged was directly related to the services provided and rigorously justified. The school worked to widen access through the provision of means-tested bursaries.

The school's commitment to providing public benefit is described in more detail later in this report. We offer educational opportunities to children and young people in the local area and we also provide opportunities for the further education and development of teaching staff in the area, regularly offering student teacher placements, work experience opportunities and access each term to a practitioner research seminar. We are generous in our policy of encouraging our own teaching staff to participate in examination duties for the Scottish Qualifications Authority and for other examination boards. We encourage our students and staff to support the local community, and service to the community is an important aspect of the school's work, through raising money for local charities, through the Duke of Edinburgh's Award and through the Youth and Philanthropy Initiative, for example. The school also offers free access to its rich archive of educational material for scholars, academics and more informal researchers.

Of crucial importance is the school's commitment to extending bursary provision to those whose families would otherwise not be able to afford the school's fees. 69 pupils (9% of the student population) received bursaries during 2021/22, with 14 of those being 100% bursaries. The total provided in bursaries for the year amounted to £562,638.

The school's finances continue to remain healthy; we have no bank debts and we continue to manage costs rigorously, with sufficient funds to invest in the school's delivery of excellent learning and teaching, in its infrastructure and in the further

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)**

development of the school site. Within this context, fees are kept to a minimum. We also include in our fees a number of costs that might elsewhere be charged as 'extras'; the school continues to provide books, stationery and non-residential Junior School trips at no further cost.

**OBJECTIVES AND ACTIVITIES**

The school's objects are set out in its articles of association. In summary the objects of the school are:

- to promote educational excellence for girls;
- to provide a full education for girls and for boys up to the end of Primary 3 and to take the lead in the movement for women's education in Scotland;
- to work in partnership with the Scottish education sector and parents to provide learning opportunities, excellent teaching and individual support for the personal, social and intellectual development of young women of independent mind, who will each be prepared according to individual talent, need and interest for:
  - University and college education and lifelong learning;
  - Adult life and work; and
  - Making her contribution to society;
- to work in partnership within Scottish education in a global context and to be open to change and improvement in every aspect of its activities as a flexible and open learning centre;
- to work in partnership with the wider community and to promote an understanding and awareness of Scotland, its culture and its international contacts.

St George's aims to provide public benefit in its charitable contribution to the development of education through:

1. education of children and young people in the local community;
2. education of children and young people through the education of teachers;
3. education of children and young people through the development of education;
4. education of children and young people through the use of our facilities;
5. — the work of students and staff in the community;
6. lifelong education through access to the school's archive;
7. provision of financial assistance through means-tested bursaries.

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022**

**Key performance indicators**

The senior management team use a range of performance measures to monitor and manage the business. The key performance indicators are as follows:

**Non-Financial Indicators**

- exam results;
- pupil destinations.

**Financial Indicators**

- net operating surplus in total and per pupil;
- teaching salary costs in total and per pupil;
- the level of bursaries awarded in total and as a percentage of gross fee income.

Council also monitors total school roll and roll in each area of the school along with total education cost per pupil on a regular basis.

**ACHIEVEMENTS AND PERFORMANCE**

**Review and analysis of performance during the current year**

The school continued its principal activities throughout the current year as outlined in the Objectives and Activities section of the Report of the Directors.

**Monitoring and measuring achievements**

The Council considers that the exam results achieved by the pupils are a key indicator of the success of the school. Council monitors the results through reports provided by the Head directly to Council and to Education Committee. The financial performance of the school is important to the long-term viability and sustainability of the provision of education. Council

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)**

receives monthly management accounts and cash flow statements, an annual budget submission and an annual set of audited accounts. The provision of these reports allows the Council to continually monitor the financial performance of the school and, if required, make changes to the financial operations on a timely basis. Council also measures the achievements of the pupils and staff by looking at the destinations of pupils and the range of subjects and careers that pupils pursue. An annual schedule of pupils' university choice and degree course studied is given to the Council and allows them to measure the success of the teaching and learning provision.

**Examination results**

We were delighted with this year's results, which were the first achieved as externally assessed public examinations since the summer of 2019. At Advanced Higher, 60% of results were graded A, 28% were at B and 8% at C. At Higher 65% of entries achieved an A grade, 22% were Bs and 7% were Cs. At GCSE 95% of our entries were graded 9-4, with 30% achieving the highest grades, 9/8.

**University Destinations and Subject Choices**

It is a tribute to the guidance that our students receive while they are making their choices that they research courses carefully and choose with discernment. The great majority of our Upper 6 leavers go on to college or university. This year's leavers went to over thirty different universities, with over 95% attending their first choice institution. Aberdeen, Edinburgh, St Andrews, Glasgow and Dundee remain very popular destinations in Scotland, but our students will also be attending York, Bristol, Exeter, Durham, London and Newcastle, and other institutions across the UK. The range of subject choices taken at university is impressive. It is our aim that every student will leave St George's on the pathway that is right for her. Medicine, Pharmacology, Pharmacy, Mathematics, Law, History, Languages, English Literature, Geography, Art, Classics, Business Management and Accountancy all continue to be popular courses. We are pleased that our students are also beginning to give serious consideration to Degree Apprenticeships and other similar schemes.

**Public Benefit**

The school continues to encourage both staff and pupils to contribute directly to the public benefit, through community service and relief of financial hardship, through participating in charitable activities, through involvement in the education and training of teachers and through work with young people in Edinburgh and beyond. The school also offers use of its facilities to schools, sports clubs, cultural and sporting bodies, at a reduced or zero cost.

The school aims to attract pupils from all backgrounds, ethnic groups and financial circumstances. The level of fees charged is directly related to the cost of the services provided and is reviewed and justified each year by the Council. The Council scrutinises an annual budget each year to ensure that costs are controlled and provide value for money. Only after that scrutiny are school fee levels set for the coming session, taking into account current market conditions.

Like all other independent schools in Scotland, St George's has now taken on the additional costs of the loss of non-domestic rates relief as of April 2022, estimated to be approximately £200,000 per annum. Our involvement in the life of our local community and our ability to offer public benefit in the ways described above are of great importance to us, but it may become harder for the school to continue to offer its facilities at such advantageous rates, or to provide as many means tested bursaries in future, given the impact of this additional cost.

**Involvement in the Community**

Our students are encouraged to support the community in charitable works and our staff are also role models in this regard. All members of the Lower 5 (S3) take part in the Youth and Philanthropy Initiative, which requires them to spend time learning about the work of a small, local charity and competing to gain funding for their chosen organisation. Approximately 150 of our older students are involved in the Duke of Edinburgh's Award and do active work for the local community through the Service element of the award. This year, COVID-19 restrictions have limited the extent to which they have been able to do this in person but we have been impressed with their determination to find safe ways in which to continue to be involved with our local community.

**Support for Education through working with children and teachers**

St George's is proud of the tradition of teacher education, which is a part of our founding heritage. We support trainee teachers in our classrooms every year and our staff give their time generously to mentor these new recruits to the profession. Our termly Practitioner Research Seminars offer free Continuing Professional Development to teachers across the region and are extremely well attended, this year operating as a blended model of online and in person meetings. Regrettably it was not possible to invite children from local primary schools onto our site for the usual range of educational

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)**

activities this year, but we look forward to resuming this programme in 2022-23.

St George's aims to provide public benefit in its contributions to the ongoing development of Scottish education. The school therefore encourages its teachers to participate in work for the Scottish Qualifications Authority (SQA) and for the GCSE examining boards and grants special dispensation for their absence from school. 24% of SQA markers, setters and verifiers come from the independent sector and St George's makes a huge contribution to public benefit in this regard.

Our Deputy Head Academic has been appointed and trained as an Associate Assessor for Education Scotland (HMIE). As part of her unpaid duties, she is required to be out of school for two weeks each session (on average) to contribute to school inspections. The school supports this work, which is essential for the future development of Scottish education. The school receives a nominal fee to help compensate for her absence on inspections but not for training days.

**Charitable Fundraising**

In addition to annual contributions to local foodbanks from our Harvest Festivals, all students are encouraged to fundraise and support charitable work, especially for children in the Edinburgh area. The total raised for charity in 2021-2022 and paid through the school was £4,365, with a further £6,839 donated through Just Giving pages set up in school, making a total of £11,204.

**International education**

At St George's we value the international dimension to education very highly, believing that it is our responsibility to prepare our students for a future in which they will need to work and study on an international stage. We have exchanges with schools in Australia, New Zealand, Chile, South Africa, Canada and the USA, and we are also proud of our programme of digital exchanges which enhance learning in a number of curriculum areas. This year all of our exchange activities have continued online, enabling us to preserve these valuable relationships with schools across the globe, at a time when international borders have been closed. We have also been able to resume our in-person exchanges with schools in South Africa and Australia, and welcomed visitors to St George's as part of the Erasmus Plus programme in the summer of 2022.

**Curriculum Review**

Over the course of the academic year 2021-22 we have undertaken stage one of a thorough-going review of our curriculum, to ensure that the school is meeting the needs of 21<sup>st</sup> century students. We focused on reinvigorating the connections between the Primary and Secondary areas in our curriculum planning. The first stage of the review identified the importance of Metaskills and a whole school framework is under development with a focus on students and staff identifying and acknowledging the use of skills. The importance of interdisciplinary learning is also a key element of the 21<sup>st</sup> century curriculum and to support this the Extended Project Qualification is being introduced for sixth form from August 2022 and work is ongoing around expansion of this area as part of the continuing curriculum review. During the initial phase of the curriculum review in 2021-22 we asked our Heads of Faculty and Curriculum Leaders to explore a variety of alternative curriculum models, with a view to considering the examination courses that we offer as an element of the ongoing review in the coming academic year 2022-23.

**A rounded education**

A truly rounded education, which encourages our students to develop skills and strengths beyond their academic programme, is at the heart of our ethos. Oversight of the co-curriculum is a key part of the remit of our Senior Deputy Head. With over forty clubs and activities available, and an inclusive approach to sport which promotes participation, it is our hope that every girl will find an interest which could become a life-long passion, and will be a source of confidence and personal development. The Duke of Edinburgh's Award Scheme is extremely popular, and 25 girls started their Gold Awards this year. As a result of COVID-19, activities have been curtailed significantly. Three girls were nonetheless able to complete their Gold Awards by the end of the academic year.

We were delighted to be able to resume a full programme of sporting fixtures this session, and to welcome parents back as spectators from October 2021. We have a close relationship with Netball Scotland, as part of our commitment to enhancing opportunities for girls and women in sport. Our ethos remains one which promotes wide participation in sport, while celebrating and facilitating achievement at the highest levels. Our students have been selected to take part in national training programmes and represented Scotland in hockey, lacrosse and badminton this year.

**ST GEORGE'S, EDINBURGH**  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**Rights Respecting Schools Award**

We were delighted to have been accredited at Bronze level for the Rights Respecting Schools Award, and have put forward our proposals with a view to achieving the Silver award next session. As part of this work a curriculum audit is taking place, and there are student focus groups in place to ensure that student voice plays a key part in this process.

**Significant Developments**

The Head, Mrs Alex Hems, moved on from St George's after five and a half years in the summer of 2022. Her successor, Mrs Carol Chandler-Thompson, recruited after a wide-ranging and competitive search process, took up her position in August 2022.

**FINANCIAL REVIEW**

**Financial performance and going concern**

The financial results for the year were satisfactory overall although still impacted by the COVID-19 pandemic as restrictions were still in place on after-school care, clubs and activities and external lettings for part of the year.

Pupil numbers were maintained and the school recorded a surplus of £73,492 (2021: £195,494). Unrestricted funds showed a surplus of £177,007 (2021: deficit of £171,929) before transfers, which is calculated after deducting depreciation of £535,379 (2021: £479,552), a non cash item.

At the year end, there were net current assets of £255,125 (2021: £57,039) and total net assets of £10,256,302 (2021: £10,182,810). Cash provided by operating activities was £431,359 (2021: £292,617) and these funds were mainly used in the purchase of fixed assets. Cash generated from operations less significant expenditure on assets resulted in a net cash outflow of £78,408 (2021: £129,092). Much of the cash outflow related to the completion of the Upper School Hall project.

The cash position at the end of the year is £660,349 (2021: £738,757). The school remains in a position where it can operate with a low level of external finance and Council is committed to ensuring the future stability of the school and reviews the financial position regularly.

Having considered the budget and the cashflow forecast for the next 12 months, the Directors are of the opinion that there is no material uncertainty in relation to the ability of the charitable company to continue to meet its obligations as they fall due for the foreseeable future. As a consequence, the Directors have prepared the accounts on the going concern basis.

The principal source of funds for the school is tuition and boarding fee income. Fee income (net of discounts and bursaries) increased by £826,949 as boarding fee income, lunch income and external letting income recovered after COVID-19 restrictions.

Expenditure has been closely controlled during the year. The school continues to invest in the fabric of the school and over £328,000 was expended on the maintenance and decoration/upgrade of the school buildings. In addition to this, the school expended £508,535 on total capital additions.

A Development Committee was created during the year which reports to Council and includes members of the School community with a wide variety of relevant experience. The Committee has been looking at ways to integrate fundraising into School activities and to encourage legacy giving, particularly towards the Bursary fund.

**Financial position at 31 July 2022**

The school's unrestricted funds, which constitute free reserves, stood at £8,121,752 (2021: £7,659,889) at the year end, wholly deployed in funding the school premises and equipment, and with the need for day to day working capital being met by careful management of short term liquid resources.

The school's restricted funds, including the Bursary Fund, stood at £2,134,550 at the year end, a decrease of £388,371 during the year. The decrease is mainly due to the transfer out of the restricted Music & Property Fund to cover the Upper School Hall project costs, as well as a loss on investments in the Bursary Fund. All the separate bursary funds were combined at 1 August 2010 into the Bursary Fund and the balance stood at £2,045,692 (2021: £2,146,955) at 31 July 2022. The current level of bursaries is funded from the Bursary Fund and the unrestricted reserves.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**Results**

The audited accounts for the year ended 31 July 2022 show a surplus before investment gains of £204,643 (2021: deficit of £147,490) and a total surplus after realised and unrealised losses on investment assets of £73,492 (2021: £195,494). Donations and fundraising income in total for the unrestricted fund and restricted funds was £4,478 (2021: £7,182).

**Income**

The main source of income for the school is fee income charged for the provision of education. Gross fee income increased by 9.3% to £10,571,106 as COVID-19 restrictions eased and boarding fee, ancillary and trading income recovered.

**Expenditure**

The main expenditure of the school is the payroll costs of teaching and support staff. Our staff are key to the ongoing success of the school and therefore we continue to invest in the highest standard of teaching and support staff and are committed to ensuring their continued professional development. Staff salaries accounted for 72.3% of unrestricted expenditure. Teaching salary costs in total were £5,701,736.

**Bursarial Support**

The school is proud of the amount of bursarial support which it is able to give and of the number of pupils in receipt of that support. In total £562,638 (2021: £591,882) was awarded as means tested bursaries or hardship funding during the year. Support is focused at pupils in Lower 4 and Upper School. Means tested support equated to 5.3% (2021: 6.1%) of gross fee income. The number of pupils in receipt of means tested financial support was as follows:

Means Tested Award (% of Tuition Fee)	No. of Pupils 2022	No. of Pupils 2021
100%	14	7
80% - 99%	18	24
60% - 79%	7	5
40% - 59%	11	15
1% - 39%	19	19
	69	70

**Investments**

The school holds an investment portfolio which returned investment income of £31,146 (2021: £36,019). This income has been reinvested in to the Bursary Fund. Council is satisfied that the Investment Managers have performed in line with relevant benchmarks but, following a tender exercise, took the decision to change manager during the year to align the investment choice with the school's view of ethics.

**Reserves Policy**

The policy of Council is to meet expenditure from school fees on an annual basis. It is Council's policy to continue to build an appropriate level of reserves to ensure that the school's long-term financial strength and independence are sustained. Council is required to ensure that all funds maintain a positive balance. The majority of reserves, £10,001,177, can only be realised by disposing of tangible fixed assets or realising financial investments.

The reserves are wholly invested in school facilities, including improvements and refurbishments to the school's premises and equipment whilst ensuring that education needs are met. The prudent and effective management of assets and investments, the continual monitoring of both cash flow and working capital requirements and appropriate fundraising provides adequate reserves for the continuing operation of the school. Council is satisfied that the level of reserves held is sufficient to maintain the financial wellbeing and continued operation of the school.

The total funds of the school are £10,256,302 (2021: £10,182,810) made up as follows:

Restricted Fund	-	£2,134,550 (2021: £2,522,921)
Unrestricted Fund	-	£8,121,752 (2021: £7,659,889)



**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Council has undertaken a comprehensive analysis of the major risks to which the charity is exposed. Council has agreed a Key Risk Register, which indicates the person responsible in each case for monitoring the risk, establishing control procedures and reporting on their management of the risk to the School Leadership Team. The Head is responsible for reporting on the management of these risks to the Finance and Audit Committee of Council. Management continually monitors the key risks facing the school together with assessing the controls used for managing these risks. Council formally reviews and documents the principal risks facing the school at least annually.

In the opinion of the Directors, the School Leadership Team has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

The principal risks and actions taken to mitigate them are as follows:

<b>Risk Area</b>	<b>Mitigating Actions</b>
<b>Political</b> There are remaining uncertainties over the political and regulatory views on independent education. Public and media pressure over Independent Schools' charitable status continues to be a risk. Council believes that if the situation resulted in the removal of charitable status, then the school would be in a position to continue to operate, albeit in a different guise.	Political uncertainty is continually monitored to identify decisions that may have an impact on the school's operations. The school actively engages with the wider sector to monitor political risks.
<b>School Roll</b> The current school roll is considered to be healthy. However, Council is mindful of the fact that the economic climate has affected parents' ability to choose and afford an independent education for their children.	Council believes that the reputation of the school and its high achievements are key to ensuring its future success, and that these factors will allow the school roll to be maintained at, or about, the current levels for the foreseeable future.
<b>Key Management Personnel</b> Any organisation can be affected by the loss of the Key Management Personnel and the school is no different in that respect.	Members of Council serve a minimum four year term and can serve up to an eight year term which provides continuity. The dates when the Members of Council demit office are monitored and time is given to finding suitable replacements. Members of the Senior Leadership Team are on long-term notice periods to allow sufficient time to find a replacement and provide a thorough handover.
<b>Factors Affecting the Financial Position and Performance</b> The principal cost increases facing the school in 2022/23 are teaching salary costs, energy and food costs and business rates, with rates relief having been reduced from April 2022.  Interest rates and inflation have begun to increase and are expected to peak in Spring 2023. Investment markets have been volatile, both within the UK and globally, and volatility is likely to continue into 2023.	Council reviews financial forecasts and plans for future years and is satisfied that the current financial planning, which takes account of anticipated cost increases, is robust and deliverable.  Council is satisfied with the current financial performance of the school and believes that sufficient reserves are in place to cover reasonably foreseeable inflationary rises so that the school can continue to operate as a going concern. The school does not have debt so will not be immediately affected by interest rate rises.

**Investment risk**

There are no restrictions on the company's absolute powers of investment. The school manages investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The investment portfolio was sold during the year and reinvested in a multi-asset fund which spreads the risk while maintaining the ethical investment requirements of the Directors. The school does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield.

Following continued volatility in the markets, the total value of the investment portfolio decreased by 4.7% having increased by 21.1% during the prior year.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**FUTURE PLANS**

The School's continuing priorities are:

1. To provide an excellent academic education, which promotes independent thinking, offers appropriate challenge and prepares pupils for success in public examinations, to ensure that they are able to access the next stage of their lives and are well prepared for their future so as to make their full contribution to society.
2. To provide a stimulating and enriching environment in which pupils learn about themselves, others and the world around them. We aim to cultivate tolerance, a sense of community in school and awareness of responsibility to a wider community in an increasingly diverse world.
3. To provide an environment which supports each individual, enabling them to feel safe, to flourish and to fulfil their potential.
4. To manage our resources and develop our site appropriately to enable St George's to continue to operate as a successful school and meet the needs of future generations.
5. To extend the provision of a St George's education as widely as possible through bursary support and to offer public benefit to the wider community beyond St George's.
6. To work and communicate effectively with the wider St George's community of Parents and Old Girls.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The school was founded in 1888 as part of the campaign to advance the education of women. It was incorporated in 1913 and is a charitable company, limited by guarantee. It is governed by a memorandum and articles of association, updated in July 2021, and its charitable purposes have remained the same since its foundation.

**Recruitment and appointment, induction and training of Directors**

The governing body of St George's, Edinburgh is known as its Council. Members of Council are sought using a matrix of skills, experience and association with the school. This is to ensure that members are elected from a range of relevant backgrounds and have the required breadth of knowledge and experience to govern the school.

The Council of St George's, Edinburgh endorses the Nolan Principles for Behaviour in Public Life and the guidelines for governors produced by the Association of the Governing Bodies of Independent Schools.

New Members of Council meet the Head, who is the school's Chief Executive Officer, and are given a tour of the school and introduced to relevant members of staff. They are provided with a range of documents including:

- The school's Strategic Review, mission statement and detailed aims;
- Details of the Membership and Composition of Council and its Committees;
- The school's Governance and Leadership Structure and the Staff Teams;
- The Governors' Handbook provided by the Association of the Governing Bodies of Independent Schools.

All Directors give of their time freely and no director received remuneration or expenses in the year.

**Organisation**

The Directors are listed on page 9. Members of Council are appointed by Council and serve for four years, after which they may be re-elected for a further four year term. Council meets at least three times a year and is advised by the following Committees which also meet at least termly unless stated otherwise:

- Education Committee
- Finance and Audit Committee
- HR Committee
- Property Committee.

The Head is the school's Chief Executive Officer and is in charge of day-to-day management with the support of the School Leadership Team. She advises Council on strategy. The Business Director is the Chief Financial Officer and Company Secretary.

**ST GEORGE'S, EDINBURGH**  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**REFERENCE & ADMINISTRATIVE INFORMATION**

St George's was founded in 1888. Its charity registration number is SCO12632 and company registration number is SC008667. It was incorporated in 1913 and the liability of each of its members is limited to £1 by guarantee. The Registered Office and the principal office of the company is Garscube Terrace, Edinburgh, EH12 6BG.

**Directors**

The Directors of the charitable company ("the charity") are its Council for the purpose of charity law and throughout this report are collectively referred to as the Directors.

Dr R F Balfour (Resigned 24 March 2022)  
Mr M D Blencowe  
Ms S Crawford  
Mr L S Duguid (Resigned 24 March 2022)  
Mrs K J McDiarmid  
Sheriff I H L Miller  
Mrs A M Norrie  
Mr A H Rae  
Sheriff L M Ruxton (Vice Chair)  
Mr S Scott (Appointed 24 March 2022)  
Mr A R Taylor (Appointed 24 March 2022)  
Mrs S E Thomson  
Mr A Watt  
Mr I F Witherington  
Mr R J Wylie (Chair)

**Key Executives and Professional Advisers**

Head	Mrs Carol Chandler-Thompson, from August 2022 (previously Mrs Alex Hems, until August 2022)
Business Director & Secretary	Mrs Fiona Duncanson, from April 2022 (previously Mr Jeremy Harper, until January 2022)
Senior Statutory Auditor	Ms Kelly Adams CA MA(Hons), RSM UK Audit LLP, Third Floor, 2 Semple Street, Edinburgh, EH3 8BL
Bankers	The Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh, EH2 2AD
Lawyers	Lindsays WS, Caledonian Exchange, 19a Canning Street, Edinburgh, EH3 8HE
Investment Advisers	Cazenove Capital, 1 London Wall Place, London, EC2Y 5AU (from April 2022) Previously Quilter Cheviot, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022 (continued)**

**Statement of Directors' Responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, the Directors 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 charitable company will continue in business;
- observe the methods and principles of the Charities SORP;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditor**

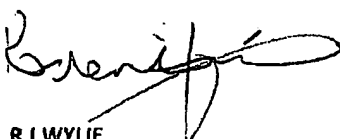
As far as each of the Directors, at the time the report is approved, is aware:

- there is no relevant information of which the auditor is unaware; and
- he/she has taken all reasonable steps that he/she ought to have taken to make himself/herself aware of any relevant information and to establish that the auditor is aware of the information.

**Auditor**

In accordance with Section 487(2) of the Companies Act 2006, a resolution proposing the reappointment of RSM UK Audit LLP as auditor to the company will be put to the annual general meeting.

The Report of the Directors, incorporating the Strategic Report for the year, was approved by Council at its meeting on 7 December 2022 and signed on its behalf by:



**R J WYLIE**  
**Chair of Council**

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST GEORGE'S, EDINBURGH**

**For the year ended 31 July 2022**

**Opinion on accounts**

We have audited the accounts of St George's Edinburgh (the 'charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the accounts, including 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 accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 accounts 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 accounts in the UK, including the FRC's Ethical Standard and we have fulfilled our other 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 accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the accounts 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 accounts and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 this gives rise to a material misstatement in the accounts 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 the incorporated Strategic Report for the financial year for which the accounts are prepared is consistent with the accounts; and

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST GEORGE'S, EDINBURGH (CONTINUED)**

**For the year ended 31 July 2022**

- the Directors' report and the incorporated Strategic Report have 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 Directors' report and the incorporated 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) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Council**

As explained more fully in the statement of directors' responsibilities set out on page 10, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the accounts, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the accounts, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the accounts due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST GEORGE'S, EDINBURGH (CONTINUED)**

**For the year ended 31 July 2022**

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the accounts may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are: The Education (Scotland) Act (1980), Standards in Scotland's Schools etc. Act 2000, Children and Young People (Scotland) Act 2014, Education (Scotland) Act 2016, UK General Data Protection Regulation (UK GDPR), The Health and Safety at Work etc Act 1974 and the Public Services Reform (Scotland) Act 2010. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the accounts were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

**Use of our report**

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors 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, its members as a body, and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

*Kelly Adams*

Kelly Adams CA MA(Hons) (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

20/12/22

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**ST GEORGE'S, EDINBURGH**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (including an INCOME AND EXPENDITURE ACCOUNT)**

**For the year ended 31 July 2022**

	Notes	Un- Restricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Un- Restricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
<b>Income and Endowments from:</b>							
Donations		-	4,478	4,478	-	7,182	7,182
Charitable activities:							
Fees receivable	2	9,735,652	96	9,735,748	8,833,869	74,930	8,908,799
Ancillary income	3	881,695	-	881,695	411,141	-	411,141
Other trading activities		80,058	-	80,058	72,839	-	72,839
Investments		1,023	31,146	32,169	1,756	36,019	37,775
Other		-	-	-	189,093	-	189,093
<b>Total income</b>		<b>10,698,428</b>	<b>35,720</b>	<b>10,734,148</b>	<b>9,508,698</b>	<b>118,131</b>	<b>9,626,829</b>
<b>Expenditure on:</b>							
Raising funds	4	-	1,258	1,258	-	13,182	13,182
Charitable activities	4	10,521,421	6,826	10,528,247	9,680,627	80,510	9,761,137
<b>Total expenditure</b>	<b>4</b>	<b>10,521,421</b>	<b>8,084</b>	<b>10,529,505</b>	<b>9,680,627</b>	<b>93,692</b>	<b>9,774,319</b>
<b>Net income/(expenditure) before gains and losses on investments</b>							
		177,007	27,636	204,643	(171,929)	24,439	(147,490)
Realised gain/(loss)		-	(129,153)	(129,153)	-	3,871	3,871
Unrealised gain/(loss)		-	(1,998)	(1,998)	-	339,113	339,113
<b>Net income/(expenditure)</b>		<b>177,007</b>	<b>(103,515)</b>	<b>73,492</b>	<b>(171,929)</b>	<b>367,423</b>	<b>195,494</b>
Transfers between funds		284,856	(284,856)	-	180,156	(180,156)	-
<b>Net movement in funds</b>		<b>461,863</b>	<b>(388,371)</b>	<b>73,492</b>	<b>8,227</b>	<b>187,267</b>	<b>195,494</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		7,659,889	2,522,921	10,182,810	7,651,662	2,335,654	9,987,316
Total funds carried forward		8,121,752	2,134,550	10,256,302	7,659,889	2,522,921	10,182,810

All Incoming resources and resources expended derive from continuing activities.

The notes on pages 17 to 27 form part of these accounts.



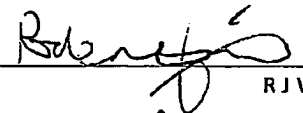


**ST GEORGE'S, EDINBURGH**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL POSITION**

**As at 31 July 2022**

	Notes	£	2022 £	£	2021 £
<b>Fixed Assets</b>					
Tangible assets	8		8,003,187		8,030,031
Investments	9		1,997,990		2,095,740
			-----		-----
			10,001,177		10,125,771
<b>Current Assets</b>					
Debtors: amounts falling due within one year	10	599,539		293,802	
Cash and short term deposits		660,349		738,757	
			-----	-----	
			1,259,888	1,032,559	
<b>Creditors: Amounts falling due within one year</b>	11	1,004,763		975,520	
			-----	-----	
<b>Net current assets</b>			255,125		57,039
			-----		-----
<b>Net assets</b>			10,256,302		10,182,810
			=====		=====
<b>Reserves</b>					
Restricted Funds	15 & 16		2,134,550		2,522,921
Unrestricted Funds	15 & 16		8,121,752		7,659,889
			-----		-----
			10,256,302		10,182,810
			=====		=====

The report and accounts were approved and authorised for issue by the Board on 7 December 2022 and signed on its behalf by:

	Chair
R J Wylie	
	Director
A H Rae	
	Secretary
F Duncanson	

Company No. SC008667

The notes on pages 17 to 27 form part of these accounts.

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASHFLOWS**

**For the year ended 31 July 2022**

	2022 £	2021 £	
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	431,359	292,617	
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments	32,169	37,775	
Purchase of property, plant and equipment	(508,535)	(437,587)	
Proceeds from sale of investments	1,866,584	162,105	
Purchase of investments	(1,999,376)	(186,017)	
Decrease in cash investments held by investment manager	99,391	2,015	
Net cash used in investing activities	(509,767)	(421,709)	
Change in cash and cash equivalents in the year	(78,408)	(129,092)	
Cash and cash equivalents at the beginning of the year	738,757	867,849	
Cash and cash equivalents at the end of the year	660,349	738,757	
<b>Analysis of cash and cash equivalents</b>			
Cash in hand	816	1,021	
Cash at bank	659,533	737,736	
	660,349	738,757	
<b>Reconciliation of net income/(expenditure) to net cash flow from Operating activities</b>	<b>2022</b>	<b>2021</b>	
	<b>£</b>	<b>£</b>	
Net income/(expenditure) for the year	73,492	195,494	
Depreciation charges	535,379	479,552	
Losses/(gains) on investments	131,151	(342,984)	
Dividends, interest and rents from investments	(32,169)	(37,775)	
(Increase) in debtors	(305,737)	(56,292)	
Increase in creditors	29,243	54,622	
Net cash provided by operating activities	431,359	292,617	
<b>Analysis of changes in net debt</b>	<b>At 1</b>	<b>Cash</b>	<b>At 31 July</b>
	<b>August</b>	<b>Flows</b>	<b>2022</b>
	<b>2021</b>		
	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	1,021	(205)	816
Cash in hand	737,736	(78,203)	659,533
Cash at bank	738,757	(78,408)	660,349

The notes on pages 17 to 27 form part of these accounts.

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 July 2022**

**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

**Basis of preparation**

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) (effective 1 October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St George's, Edinburgh meets the definition of a public benefit entity under FRS 102.

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, rounded to the nearest pound, as this is the functional and presentational currency of the charitable company.

**Going concern**

At the year end, there were net current assets of £255,125 (2021: £57,039) and total net assets of £10,256,302 (2021: £10,182,810), of which £8,121,752 (2021: £7,659,889) was unrestricted. The school continues to generate cash from operating activities and has made a surplus for the year. The Directors have considered the budget and the cashflow forecast for the next 12 months, and are of the opinion that there is no material uncertainty in relation to the ability of the charitable company to continue to meet its obligations as they fall due for the foreseeable future. As a consequence, the Directors have prepared the accounts on the going concern basis.

**Significant judgements and estimation uncertainty**

In the application of the company's accounting policies, Council is 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 8 for carrying amounts of tangible assets.

**Income**

Income is 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.

**Donations and legacies**

Donations are credited to the Statement of Financial Activities in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Legacies are recognised as income either upon receipt or when the notification of the legacy meets the recognition criteria of entitlement, probability and measurement.

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

**1 Accounting policies (continued)**

**Fee income**

Fee income is the total amount receivable by the school in respect of tuition and other educational activities for the school year which is also the financial year. Fee income is recognised in the year to which it relates. Fee income is attributable to this one continuing activity. Bursaries and other discounts are netted off against the fee income to which they relate.

**Ancillary income**

Ancillary income is the total amount receivable by the school in respect of sundry chargeable items such as provision of meals, trips and excursions, uniforms etc. Ancillary income is recognised in the year to which it relates.

**Rents and lettings**

Rents and lettings income is the total amount receivable by the school for the use of school buildings and sports facilities by other organisations. Rental income is recognised in the year to which it relates.

**Investment income**

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

**Other income**

Other income constitutes interest received in respect of the school's funds held by third parties as well as interest charged on late payment of fees. This is recognised on receipt.

**Expenditure and irrecoverable VAT**

Resources expended are included in the Statement of Financial Activities on an accruals basis and are recognised when there is a legal or constructive obligation to pay for expenditure. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories. This is on the basis of management estimates of the amount attributable to that activity in the year by reference to, amongst other things, staff time spent. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

**Governance costs**

Governance costs include those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements.

**Tangible Fixed Assets**

Tangible fixed assets are held at cost less depreciation. In accordance with FRS102, freehold land is not depreciated but buildings are depreciated over their estimated economic lives.

Individual assets with a value of less than £1,000 are not capitalised unless they form part of a larger capital project.

**Depreciation**

Depreciation is provided on fixed assets at rates calculated to write off the cost or valuation over their expected useful lives as follows:

Buildings	2% - 10% straight line
Other assets	Between 10% to 33% straight line

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

**1 Accounting policies (continued)**

**Investments**

Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the mid-market price. The basis of fair value for quoted investments is equivalent to the market value, using the mid-market price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

**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.

**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.

**Fund accounting**

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of Council.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in note 16.

**Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

**Operating leases**

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

**ST GEORGE'S, EDINBURGH**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

**1 Accounting policies (continued)**

**Pension costs**

Teaching staff are members of the Scottish Teachers' Superannuation Scheme which provides benefits based on final pensionable pay. Non-teaching staff are entitled to join defined contribution schemes run either by the Pensions Trust or Scottish Equitable. Pension costs are charged to the Statement of Financial Activities in the period to which contributions related.

**Taxation**

The company has been granted charitable status and is therefore exempt from corporation tax by virtue of Section 505 Income and Corporation Taxes Act 1988.

<b>2 School fees income</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
a) The school's fee income comprised:		
Gross fees (unrestricted)	10,571,106	9,674,777
Less: Total bursaries and allowances (unrestricted)	(835,454)	(840,908)
Add: Grants from CEC (restricted income)	96	74,930
	<u>9,735,748</u>	<u>8,908,799</u>
	=====	=====
b) Bursaries and awards paid comprised:		
Bursaries paid by unrestricted funds	562,638	483,739
Bursaries paid by restricted funds	-	108,143
	<u>562,638</u>	<u>591,882</u>
	=====	=====
<b>3 Ancillary income</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dinner and food charges	398,010	139,119
After-hours charges	87,043	56,040
Clubs and activities	396,642	215,982
	<u>881,695</u>	<u>411,141</u>
	=====	=====

All ancillary income is unrestricted.

**ST GEORGE'S, EDINBURGH**  
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**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

<b>4 Expenditure - analysis of total resources expended</b>	<b>Staff Costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>2022 Total</b>	<b>2021 Total</b>
	£	£	£	£	£
<b>Charitable activities</b>					
School operating costs:					
Teaching costs	5,701,736	244,750	-	5,946,486	5,950,194
Welfare costs	493,867	518,565	-	1,012,432	744,118
Premises	610,723	970,266	340,837	1,921,826	1,679,300
Support costs (note 5)	803,480	620,892	194,542	1,618,914	1,355,358
Governance costs	-	28,589	-	28,589	32,167
	<u>7,609,806</u>	<u>2,383,062</u>	<u>535,379</u>	<u>10,528,247</u>	<u>9,761,137</u>
<b>Cost of Raising Funds</b>					
Investment managers' fees	-	1,258	-	1,258	13,182
	<u>-</u>	<u>1,258</u>	<u>-</u>	<u>1,258</u>	<u>13,182</u>
<b>2022</b>	<u>7,609,806</u>	<u>2,384,320</u>	<u>535,379</u>	<u>10,529,505</u>	<u>9,774,319</u>
<b>2021</b>	<u>7,516,901</u>	<u>1,777,866</u>	<u>479,552</u>	<u>9,774,319</u>	<u>9,774,319</u>

Included in expenditure are use of restricted funds of £8,084 (2020: £93,692) as noted in note 16.

**5 Analysis of support costs**

	<b>2022</b>	<b>2021</b>
	£	£
Salaries	803,480	785,228
Marketing	82,588	62,882
External accounting fees	50,550	33,882
Legal and professional	27,191	3,565
Office costs	276,532	237,289
Trips	168,219	53,910
Travel	15,812	10,455
Depreciation	194,542	168,147
	<u>1,618,914</u>	<u>1,355,358</u>

**6 Staff costs**

	<b>2022</b>	<b>2021</b>
	£	£
Wages and salaries	6,011,484	5,973,006
Social security	618,719	569,667
Pension costs	979,603	974,228
	<u>7,609,806</u>	<u>7,516,901</u>

**ST GEORGE'S, EDINBURGH**  
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**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

**6 Staff costs (continued)**

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
The average number of employees was:		
Teaching and teaching support	131	135
Non-teaching	82	71
	=====	=====
	213	206
	=====	=====

Key management personnel are considered to be Council Members, the senior management team which includes the Head, the Business Director, the Heads of the Lower and Junior Schools, the Deputy Head Academic and Deputy Head Pastoral and the Senior Deputy Head. Total remuneration paid to the key management personnel (excluding employer's national insurance) amounted to £505,005 (2021: £599,457) (plus pension contributions of £101,202 (2021: £116,203)). In addition, members of key management personnel, excluding Council members, are entitled to receive a discount on their children's school fees (various percentages of discount depending on role).

The number of employees whose emoluments, excluding pension contributions, fell within the following bandings greater than £60,000 was:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	4	2
£70,001 - £80,000	-	2
£130,001 - £140,000	1	1
	=====	=====

Five (2021: four) of the above employees were accruing benefits under a defined benefit pension scheme.

The Council members are not remunerated and were not paid or reimbursed for expenses during the current or previous year.

<b>7 Net Incoming resources for the year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditor's remuneration – audit fees	19,484	18,466
Depreciation	535,379	479,552
Hire purchase agreements	9,139	24,957
	=====	=====

Fixed assets, on which depreciation is charged, are held for the charity's own use.



**ST GEORGE'S, EDINBURGH**  
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**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

<b>8 Fixed assets</b>	<b>Land &amp; Buildings</b>	<b>Other Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 August 2021	12,409,812	2,911,503	15,321,315
Additions	416,840	91,695	508,535
Disposals	-	-	-
<b>At 31 July 2022</b>	<b>12,826,652</b>	<b>3,003,198</b>	<b>15,829,850</b>
<b>Depreciation</b>			
At 1 August 2021	4,792,622	2,498,662	7,291,284
Charge for year	340,838	194,541	535,379
Disposals in year	-	-	-
<b>At 31 July 2022</b>	<b>5,133,460</b>	<b>2,693,203</b>	<b>7,826,663</b>
<b>Net Book Value at 31 July 2022</b>	<b>7,693,192</b>	<b>309,995</b>	<b>8,003,187</b>
<b>Net Book Value at 31 July 2021</b>	<b>7,617,190</b>	<b>412,841</b>	<b>8,030,031</b>

<b>9 Investments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Quoted investments	1,996,370	1,994,729
Cash held as part of portfolio	1,620	101,011
	<b>1,997,990</b>	<b>2,095,740</b>
	<b>=====</b>	<b>=====</b>
Investments at current value 1 August 2021	1,994,729	1,626,933
Additions at cost	1,999,376	186,017
Disposals at brought forward current value	(1,995,737)	(155,822)
Revaluation (losses)/gains	(1,998)	337,601
<b>Investment at current value at 31 July 2022</b>	<b>1,996,370</b>	<b>1,994,729</b>
	<b>=====</b>	<b>=====</b>
Historical cost of investments	1,998,318	1,439,113
	<b>=====</b>	<b>=====</b>

<b>10 Debtors: Amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees and outlays outstanding	21,841	49,212
Other debtors	309,247	184,208
Prepayments	268,451	60,382
	<b>599,539</b>	<b>293,802</b>
	<b>=====</b>	<b>=====</b>

**ST GEORGE'S, EDINBURGH**  
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**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

<b>11 Creditors: Amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	361,421	229,767
Taxation and social security	165,199	152,039
Hire purchase	10,662	19,801
Other creditors	354,700	323,147
Deferred income	70,669	84,605
Accruals	42,112	166,161
	<hr/>	<hr/>
	<b>1,004,763</b>	<b>975,520</b>
	<b>=====</b>	<b>=====</b>

£148,256, relating to the holiday pay accrual, has been reallocated from Other Creditors to Accruals in the 2021 figures for consistency.

The hire purchase agreements are secured on the assets to which they relate.

	<b>Fee Income in advance</b>
	<b>£</b>
<b>Deferred Income</b>	
Balance at 1 August 2021	84,605
Income received and deferred in year	70,669
Release in year	(84,605)
	<hr/>
Balance at 31 July 2022	<b>70,669</b>
	<b>=====</b>

**12 Pension commitments**

- (a) St George's, Edinburgh 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 23.0% of pensionable pay from September 2019 and an anticipated yield of 9.4% employees' contributions.
- (b) St George's, Edinburgh 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 St George's, Edinburgh is unable to identify its share of the underlying assets and liabilities of the scheme.
- (iii) The employer contribution rate from 1 April 2020 is 23% of pensionable pay. The employee rate applied is a 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

**ST GEORGE'S, EDINBURGH**  
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**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

**12 Pension commitments (continued)**

Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The next actuarial valuations, based on 2020 scheme data, 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 current employer contribution rates would stay in force until 1 April 2024.

- (v) St George's, Edinburgh's level of participation in the scheme is 0.1% based on the proportion of employer contributions paid in 2020-21.

The total pension cost for teaching staff for the period was £882,586 (2021: £890,746) and has been charged to the Statement of Financial Activities. At 31 July 2022 contributions amounting to £107,094 (2021: £104,673) were payable and are included in creditors.

The pension cost for non-teaching staff for the year was £97,017 (2021: £83,482) and has been charged to the Statement of Financial Activities. Contributions of £16,517 (2021: £15,015) relating to the Group Personal Pension Scheme for July 2022 were also due to be paid to the scheme after the year end.

The Pensions Trust and the Scottish Widows scheme are defined contribution schemes with assets held separately from those of the company in independently administered funds. The employers' and employees' contribution rates were 3 to 6% and 5 to 20% respectively throughout the year.

**13 Related party transactions**

Certain Directors are parents of pupils at the school and as such have arm's length transactions in relation to payment of school fees. Fees paid by Directors during the year were £20,208 (2021: £13,065) and no fees (2021: no fees) were outstanding at year-end.

**14 Share capital**

The company has no share capital but is limited by Guarantee. Each member of the company has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being placed in liquidation.

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
<b>15 Analysis of net assets between fund</b>				
Tangible fixed assets	8,003,187	-	8,003,187	8,030,031
Investments	-	1,997,990	1,997,990	2,095,740
Current assets	1,123,328	136,560	1,259,888	1,032,559
Current liabilities	(1,004,763)	-	(1,004,763)	(975,520)
	<u>8,121,752</u>	<u>2,134,550</u>	<u>10,256,302</u>	<u>10,182,810</u>
	=====	=====	=====	=====

**ST GEORGE'S, EDINBURGH**  
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**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

16 Analysis of funds	Balance as at 1 August 2021 £	Received in the year £	Funds Expended/ Transferred £	Gains/ losses on Investment £	Transfers £	Balance as at 31 July 2022 £
<b>Unrestricted funds</b>	<b>7,659,889</b>	<b>10,698,428</b>	<b>(10,521,421)</b>	<b>-</b>	<b>284,856</b>	<b>8,121,752</b>
<b>Restricted funds</b>						
The Bursary Fund	2,146,955	31,146	(1,258)	(131,151)	-	2,045,692
MacAuley Travel Award	2,085	-	-	-	-	2,085
Clayton Art Award	996	-	(32)	-	-	964
St George's Futures Fund	22,583	690	-	-	-	23,273
Dorward Award for Spanish	250	-	(50)	-	-	200
Tate Award for French	50	-	-	-	-	50
Helen Mackie Prize Fund	135	-	-	-	-	135
Confucius Investment Fund	8,484	-	-	-	-	8,484
Music and Property Fund	317,671	1,000	(6,244)	-	(284,760)	27,667
Nursery Partnership Fund	-	96	-	-	(96)	-
Restricted Parent Donations	23,712	2,788	(500)	-	-	26,000
	<b>2,522,921</b>	<b>35,720</b>	<b>(8,084)</b>	<b>(131,151)</b>	<b>(284,856)</b>	<b>2,134,550</b>
<b>Total funds</b>	<b>10,182,810</b>	<b>10,734,148</b>	<b>(10,529,505)</b>	<b>(131,151)</b>	<b>-</b>	<b>10,256,302</b>

The Bursary Fund is the combined bursary fund incorporating all the bursary funds following the original donations received from Francis Kennedy, Mrs K Gibbs and the Judith McClure Bursary fund. Investment income received during the year of £31,146 was reinvested in to the fund.

The MacAuley Travel Award was set up on the receipt of a donation. The purpose of the fund is to provide awards to students who wish to make trips to support their studies. Awards of £nil were made during the year.

The Clayton Art Award was set up on the receipt of a donation. The purpose of the funds is to provide awards to students who have made significant endeavours and achievements in Art. One award was made during the year.

The St George's Futures Fund was originally set up in February 2001 to raise additional resources for development at the school. Small donations totalling £690 were received during the year.

The Dorward Award for Spanish was set up on the receipt of a donation. The purpose of the fund is to provide awards for students who have made significant endeavours and achievements in Spanish. One award was made during the year.

The Tate Award for French was set up on the receipt of a donation. The purpose of the fund is to provide awards for students who have made significant endeavours and achievements in French. No awards were made during the year.

**ST GEORGE'S, EDINBURGH**  
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**NOTES TO THE ACCOUNTS (continued)**

**For the year ended 31 July 2022**

**16 Analysis of funds (continued)**

The Helen Mackie Prize Fund was set up to award one or more students from U4-U6 for being an outstanding ambassador for the school on an overseas trip, tour or exchange or has gone out of their way in welcoming overseas students attending or visiting the school. No awards were made during the year.

The Confucius Investment Fund is used to promote the understanding of Chinese language and culture in Scottish schools and promote the understanding of Scottish culture and education in Chinese schools.

The Music and Property Fund was set up in 2019 following the receipt of a donation. During the year the fund was used to purchase musical equipment. In addition £284,760 was transferred from the fund to match capital expenditure made in respect of the Upper School Hall project which was completed during the year.

The Nursery Partnership Fund receives grant funding from the Government to help subsidise Nursery places. This partnership was ended in the previous year.

The Restricted Parent Donations Fund administers different donations received from parents.

**17 Commitments under hire purchase**

The hire purchase payments are for IT equipment and fall due as follows:

	2022	2021
	£	£
Due in less than 1 year	9,139	6,240
Due between 2 and 5 years	1,523	-
	<u>10,662</u>	<u>6,240</u>
	=====	=====

**18 Capital commitments**

At 31 July 2022, the company was committed to making the following payments:

	2022	2021
	£	£
Contracted but not provided for	-	283,987
	<u>-</u>	<u>283,987</u>
	=====	=====

Commitments in 2021 were in respect of the Upper School Hall project which started in July 2021 and was completed in September 2021, and have been included in fixed assets additions in 2022. There are no commitments as at 31 July 2022.