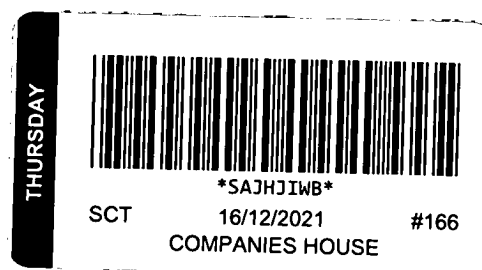


Company No. SC008667
Charity No. SC012632

**ST GEORGE'S, EDINBURGH
(FORMERLY ST GEORGE'S SCHOOL FOR GIRLS)
(A Company Limited by Guarantee)**

DIRECTORS' REPORT and ACCOUNTS

For the year ended 31 July 2021



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

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021

The Directors have pleasure in presenting their annual report for the year ended 31 July 2021 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 2021

St George's takes pride in its status as the only all-through girls' school in Edinburgh. During session 2020-2021 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.

We were able to plan for a full return to school in August 2020, operating within the Scottish Government's Covid guidelines. We prepared detailed Return to School handbooks for families in all sections of the school, and for staff, to explain the steps that the School had taken to ensure as safe a return as possible to the working environment. Additional time was provided in the staff pre-term training days to allow for consultation and discussion of the arrangements that we had put in place, so that all staff had the chance to ask questions and to seek additional risk assessments in their own areas of the school if necessary. We were proud of the extent to which staff and students adapted to the new frameworks and found ways to ensure that the all-important spirit of community continued to flourish. We were able to maintain a limited programme of sporting fixtures, working with other schools in Edinburgh to allow our students to have an experience of competition without the need to travel long distances by bus. Assemblies and Parents' Evenings went online very successfully. The physical and mental wellbeing of the whole community was also a priority for us. Regular, anonymous wellbeing questionnaires allowed us to monitor morale and be alert to any significant issues that staff were encountering. While large gatherings, and singing, were not permitted, it was not possible to hold our normal Carol Services and end of term concerts and plays. Recognising the importance of these events for our Leavers especially, we produced a recorded Carol Service, which allowed us to celebrate the beauty of the music and traditional readings, and the Cathedral setting, while maintaining the safety and confidence of staff and students.

We were delighted that so many of our overseas boarders were able to return to us in person in August. Nine students undertook carefully supervised quarantine in Houldsworth, before the term started, and 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.

The Spring term saw a return to Supported Home Learning across the school. We ran two Key Worker Childcare Hubs, in Junior School and in Lower School. Our teaching staff rose impressively to the challenge, delivering a high proportion of the term's teaching 'live' via Teams. Over this period we were also supporting our examination candidates, for GCSE, Higher and Advanced Higher qualifications, who now knew that their examinations would not take place as envisaged. We developed rigorous and transparent protocols for gathering evidence in advance of determining their grades. All staff demonstrated the highest levels of professionalism throughout this period, giving unstintingly of their time and care to ensure the best and fairest outcomes for all students. A small number of students were able to return in person in the latter part of the Spring term, with a full return to school for the Summer term.

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 certificated results are based on evidence of their performance across the year. This cohort have experienced two school years in which their learning has been disrupted to an unprecedented level, but have responded to the uncertainty of their situation with resilience and determination to succeed despite the difficult situation.

During 2020-2021 St George's continued to benefit the public directly through its provision of high quality education to just under 720 pupils aged from 3-18, including 37 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 and continued to offer nursery education as a partner provider school with the City of Edinburgh Council.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

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. 70 pupils (10% of the student population) received bursaries during 2020/21, with 7 of those being 100% bursaries. The total provided in bursaries for the year amounted to £591,882.

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 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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

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 (reported in the achievements and performance section below)

- exam results;
- pupil destinations.

Financial Indicators (reported in the financial review section below)

- 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, as noted on page 11, 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. The Council 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. The 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. At Advanced Higher 100% of entries were graded A - C, 99% achieved an A or B, and 85% were Grade A. At Higher level 98% of our entries were graded A- C with 74% achieving a grade A. At GCSE 98% of our entries were graded 9-4, with 23% achieving the highest grade, 9.

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 90% 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 Bath, Bristol, Cambridge, Oxford, Exeter, Durham, London and Manchester, and other institutions across the UK. This year students from St George's will also be studying in Paris and the USA. 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.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Public Benefit

The School continues to encourage both staff and pupils to contribute directly to the public benefit, practically 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.

During 2020-21 Covid restrictions meant that we were unable to support the usual wide range of use of our facilities by external organisations, which we have traditionally offered often at a reduced cost or free of charge in order to benefit our local community. At certain points in the year, however, when government guidance permitted, we were able to offer our outdoor sports facilities to be used by local netball clubs, and by the East of Scotland Tennis Association.

Like all other independent schools in Scotland, St George's is preparing to take on the additional costs implicit in the loss of non-domestic rates relief, 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. This was our ninth year of involvement, which has resulted in £24,000 being given to local charities over that period of time. 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 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 online rather than in person. Regrettably it was not possible to invite children from local primary schools onto our site for the usual range of educational activities this year, but we look forward to resuming this programme in 2021-22, as soon as Covid guidance allows.

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.

Two of our promoted staff have been appointed and trained as Associate Assessors for Education Scotland (HMIe). As part of their unpaid duties, they are 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 their absence on inspections but not for training days.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

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 were delighted to hear in July that we have been re-accredited with the prestigious International Schools Award, which we have now held five times consecutively since 2008.

Charitable Fund Raising

In addition to annual contributions to local foodbanks from our Harvest Festivals, all students are encouraged to fund-raise and support charitable work, especially for children in the Edinburgh area. The total raised for charity in 2020-2021 was £4,416.

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 one of the Deputy Heads. 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. 13 girls were nonetheless able to complete their Gold Awards by the end of the academic year. It was a matter of pride for us that, during the period of school closure in the Spring term, and restricted activity in the Autumn and Summer terms, we were able to run a rich programme of co-curricular activities, including CCF, Athletics, Script Writing, Quiz Club, individual music lessons, Music Performance and a Current Affairs club, using MS Teams. We were also able to run a programme of sporting fixtures, albeit more limited than usual, which played a significant role in promoting health and wellbeing across the school.

Significant Developments

Nursery Partnership

With regret we took the decision at the very end of the school year, to announce our withdrawal from the Nursery partnership with the City of Edinburgh Council. We have valued this opportunity to work in partnership with colleagues across the City very highly, but the level of funding available was no longer sufficient to sustain the high level of training, resource and overall staff provision that we consider appropriate in our Nursery.

Boys in our Junior School

In March 2021 we announced that, from the academic year 2021-22, it would be possible for boys attending our Nursery to progress into Primary 1, and that by 2024 we would envisage boys being part of our Junior School up to the end of Primary 3. We will remain a girls' school from Primary 4 upwards, in line with our strong commitment to the value of single-sex education for girls as they move towards adolescence. We will work closely with Merchiston Castle School to ensure that there is a clear pathway available for boys who wish to move on to Merchiston at the age of 7. This decision will make it possible for families with both sons and daughters to keep them together at St George's for a little longer.

Change of name

At the same time as announcing the pathway for boys into our Junior School, we formally changed the name of the school, to recognise this new approach. We are now St George's, Edinburgh.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

FINANCIAL REVIEW

Financial performance and going concern

The financial results for the year were satisfactory overall but were significantly impacted by the COVID-19 pandemic. The main areas where financial performance was adversely impacted were: the closure of the boarding house throughout the spring term resulting in a decrease in boarding income of £168,000; the closure of school facilities to external parties resulting in the loss of rental income throughout the Easter holidays; loss of lunch income throughout the spring term due to the move to Supported Home Learning. In total income was reduced by more than £250,000 as a direct result of the pandemic. The reduction in income was partly off-set by funds received through the UK Government's job retention scheme totalling £176,000 and by cost reductions in respect of utilities, food purchases and administration.

Pupil numbers were maintained and the School recorded a surplus of £195,494 (2020: surplus of £533). While unrestricted funds showed a deficit of £171,929 (2020: surplus of £67,732) before transfers, this is calculated after deducting depreciation of £479,552 (2020: £485,592), a non cash item.

At the year end, there were net current assets of £57,039 (2020: £184,461) and total net assets of £10,182,810 (2020: £9,987,316). Cash provided by operating activities was £292,617 (2020: £641,299) 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 £129,092. This led to net current assets decreasing by £127,422 to £57,039 (2020: £184,461).

The cash position at the end of the year is £738,757 (2020: £867,849). 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 review the financial position regularly.

The Directors have considered the impact of the COVID-19 pandemic on the financial results for the year but have also considered a number of scenarios around the possible impact of COVID-19 on surpluses and cash through to July 2023. The Directors have reviewed scenarios which include a reduction in the school roll and a reduction in rental income. 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) decreased by £193,502, due to a decrease in boarding fee income as a result of the COVID-19 pandemic and a decrease in pupil numbers.

Expenditure has been closely controlled during the year. The School continues to invest in the fabric of the School and over £211,000 was expended on the maintenance and decoration/upgrade of the School buildings. In addition to this, the School expended £437,587 on total capital additions.

Financial position at 31 July 2021

The School's unrestricted funds, which constitute free reserves, stood at £7,659,889 (2020: £7,651,662) 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 £2,522,921 at the year end, an increase of £187,267 during the year. All the separate bursary funds were combined at 1 August 2010 into the Bursary Fund and the balance stood at £2,146,955 (2020: £1,888,595) at 31 July 2021. 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 2021 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

FINANCIAL REVIEW (continued)

Results

The audited accounts for the year ended 31 July 2021 show a deficit before investment gains of £147,490 (2020: deficit of £108,614) and a total surplus after realised and unrealised gains on investment assets of £195,494 (2020: £533). Donations and fundraising income in total for the unrestricted fund and restricted funds was £7,182 (2020: £21,502).

Income

The main source of income for the School is fee income charged for the provision of education. Gross fee income decreased by 3.4% to £9,674,777 and was impacted by a reduction in boarding fee income as a result of the COVID-19 pandemic as well as a decrease in pupil numbers. Ancillary and trading income was also impacted by COVID-19.

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 76.9% of unrestricted expenditure. Teaching salary costs in total were £5,646,364.

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 £591,882 (2020: £753,688) 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 6.1% (2020: 7.5%) of gross fee income. In 2020 specific hardship funding was provided to 58 pupils as a result of the impact of COVID-19. This was a short term measure that was not required in 2021. The number of pupils in receipt of means tested financial support was as follows:

Means Tested Award (% of Tuition Fee)	No. of Pupils 2021	No. of Pupils 2020
100%	7	12
80% - 99%	24	17
60% - 79%	5	10
40% - 59%	15	11
0% - 39%	19	25
	70	75
COVID-19 Hardship Funding	-	58

Investments

The School holds an investment portfolio which returned investment income of £36,019 (2020: £39,333). The majority of this income is applied to the provision of bursaries. 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 post year end 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, £10,125,771, 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 £10,182,810 (2020: £9,987,316) made up as follows:

Restricted Fund	-	£2,522,921 (2020: £2,335,654)
Unrestricted Fund	-	£7,659,889 (2020: £7,651,662)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021 (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 the risks are as follows:

Risk Area	Mitigating Actions
Political 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.
School Roll The current School roll is considered to be healthy. However, Council is mindful of the fact that the economic climate, and in particular the impact of the COVID-19 pandemic, 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.
Key Management Personnel 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. The Head is on a long-term notice period contract and if she was to leave the School, then Council would be in a position to recruit a suitable replacement in sufficient time to ensure the continuity of management.
Factors Affecting the Financial Position and Performance The principal cost increases facing the School in 2022 are teaching salary costs, with an expectation that teachers employed in the public sector will receive a further pay rise in 2022, and business rates, with an expectation that rates relief will be reduced from April 2022. Both interest rates and inflation rates have remained low. Forecasts suggest that both rates may rise slightly but are likely to remain low during 2022. Investment markets have been volatile, both within the UK and globally, and volatility is likely to continue into 2022.	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 any upward movement in interest rates or inflation will not materially affect the School and that sufficient reserves are in place to cover any rises so that the School can continue to operate as a going concern.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk Area	Mitigating Actions
Specific risks associated with the COVID-19 Pandemic The COVID-19 pandemic and resulting Government interventions had a significant impact on the financial and operational performance of the School during the year. The pandemic continues to impact on the life and performance of School and risks remain in respect of finances, school roll and health and safety.	The Senior Leadership Team adopts and regularly reviews the latest guidance issued by The UK and Scottish Governments and the Care Inspectorate. Management actively engages with representative bodies including: Scottish Council of Independent Schools; the British Boarding Schools Association; Independent Schools' Bursars' Association; and Independent Schools' Association to obtain advice and guidance as the pandemic develops. Council is mindful that the risks associated with the pandemic are evolving and will remain for the foreseeable future. Council believes that the dynamic response instigated by the School, together with prudent financial management are key to ensuring the School's continued success.

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 Directors' policy continues to be to hold the bulk of the restricted funds in listed equities, including investment trusts, so that there is a spread of risk together with a prospect of capital as well as income growth. 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 uncertainty in the markets as a result of COVID19 which negatively impacted the value of the investment portfolio in 2020, the total investment portfolio increased by 21.1% having decreased by 4.5% during the prior year.

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.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

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 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 by a Membership Committee, which recommends suitable candidates for election by Council. 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.
- The School's statement of mission 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.

Members of Council are not remunerated for their services. Remuneration of other key management personnel is set by Council taking account of market rates.

Organisation

The Directors are listed on page 11. 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.

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

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (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.

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
Mr M D Blencowe (Appointed 16 March 2021)
Mr P K Brewer (Resigned 16 March 2021, Chair until that date)
Ms S Crawford
Mr L S Duguid
Mrs K J McDiarmid
Sheriff I H L Miller
Mrs A M Norrie
Mr A H Rae
Sheriff L M Ruxton (Vice Chair)
Mrs S E Thomson
Mr A Watt
Mr I F Witherington (Appointed 1 December 2020)
Mr R J Wylie (Chair from 16 March 2021)

Key Executives and Professional Advisers

Head	Mrs Alexandra Hems
Business Director & Secretary	Mr Jeremy Harper
Senior Statutory Auditor	Ms Kelly Adams CA MA(Hons), RSM UK Audit LLP, First Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG
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	Quilter Cheviot, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN Cazenove Capital, 1 London Wall Place, London, EC2Y 5AU

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2021 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (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 8th December 2021 and signed on its behalf by:

Roderick J Wylie

R J WYLIE
Chair of Council

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST GEORGE'S, EDINBURGH
(A Company Limited by Guarantee)**

For the year ended 31 July 2021

Opinion on accounts

We have audited the accounts of St George's Edinburgh (the 'charitable company') for the year ended 31 July 2021 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 2021 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
- the Directors' report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST GEORGE'S, EDINBURGH
(A Company Limited by Guarantee)**

For the year ended 31 July 2021

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 12, 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;
- 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

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF ST GEORGE'S, EDINBURGH
(A Company Limited by Guarantee)

For the year ended 31 July 2021

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the accounts are: FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the accounts which included reviewing the accounts including the Directors' 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) and The Health and Safety at Work etc Act 1974. 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
First Floor
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

13th December 2021

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 2021

	Notes	Un- Restricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Un- Restricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Income and Endowments from:							
Donations		-	7,182	7,182	-	21,502	21,502
Charitable activities:							
Fees receivable	2	8,833,869	74,930	8,908,799	9,024,116	78,185	9,102,301
Ancillary income	3	411,141	-	411,141	696,569	-	696,569
Other trading activities		72,839	-	72,839	34,588	-	34,588
Investments		1,756	36,019	37,775	4,095	39,333	43,428
Other	4	189,093	-	189,093	258,390	-	258,390
Total income		9,508,698	118,131	9,626,829	10,017,758	139,020	10,156,778
Expenditure on:							
Raising funds	5	-	13,182	13,182	-	12,504	12,504
Charitable activities	5	9,680,627	80,510	9,761,137	9,950,026	85,634	10,035,660
Total expenditure	5	9,680,627	93,692	9,774,319	9,950,026	98,138	10,048,164
		(171,929)	24,439	(147,490)	67,732	40,882	108,614
Realised gain/(loss)		-	3,871	3,871	-	(64,318)	(64,318)
Unrealised gain/(loss)		-	339,113	339,113	-	(43,763)	(43,763)
Net income/(expenditure)		(171,929)	367,423	195,494	67,732	(67,199)	533
Transfer between funds		180,156	(180,156)	-	(74)	74	-
Net movement in funds		8,227	187,267	195,494	67,658	(67,125)	533
Reconciliation of funds:							
Total funds brought forward		7,651,662	2,335,654	9,987,316	7,584,004	2,402,779	9,986,783
Total funds carried forward		7,659,889	2,522,921	10,182,810	7,651,662	2,335,654	9,987,316

All incoming resources and resources expended derive from continuing activities.

The notes on pages 19 to 29 form part of these accounts.

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

STATEMENT OF FINANCIAL POSITION

As at 31 July 2021

	Notes	£	2021 £	£	2020 £
Fixed Assets					
Tangible assets	9		8,030,031		8,072,896
Investments	10		2,095,740		1,729,959
Current Assets					
Debtors and prepayments	11	293,802		237,510	
Cash and short term deposits		738,757		867,849	
		<u>1,032,559</u>		<u>1,105,359</u>	
Creditors: Amounts falling due within one year	12	<u>975,520</u>		<u>920,898</u>	
Net current assets			<u>57,039</u>		<u>184,461</u>
			<u>10,182,810</u>		<u>9,987,316</u>
Reserves					
Restricted Funds	16 & 17		2,522,921		2,335,654
Unrestricted Funds	16 & 17		7,659,889		7,651,662
			<u>10,182,810</u>		<u>9,987,316</u>

The report and accounts were approved and authorised for issue by the Board on 8 December 2021 and signed on its behalf by:

Roderick J Wylie

R J Wylie

Chair

A H

A H Rae

Director

J Harper

J Harper

Secretary

Company No. SC008667

The notes on pages 19 to 29 form part of these accounts.

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

STATEMENT OF CASHFLOWS

For the year ended 31 July 2021

	2021 £	2020 £
Cash flows from operating activities:		
Net cash provided by operating activities	292,617	641,299
Cash flows from investing activities:		
Dividends, interest and rents from investments	37,775	43,428
Purchase of property, plant and equipment	(437,587)	(433,019)
Proceeds from sale of investments	162,105	446,821
Purchase of investments	(186,017)	(455,130)
Decrease/(increase) in funds held by investment manager	2,015	(18,249)
Net cash used in investing activities	(421,709)	(416,149)
Change in cash and cash equivalents in the year	(129,092)	225,150
Cash and cash equivalents at the beginning of the year	867,849	642,699
Cash and cash equivalents at the end of the year	738,757	867,849
Analysis of cash and cash equivalents		
Cash in hand	1,021	1,605
Cash at bank	737,736	866,244
	738,757	867,849
Reconciliation of net income/(expenditure) to net cash flow from Operating activities	2021	2020
	£	£
Net income/(expenditure) for the year	195,494	533
Depreciation charges	479,552	485,592
(Gains)/Losses on investments	(342,984)	108,081
Dividends, interest and rents from investments	(37,775)	(43,428)
(Increase)/decrease in debtors	(56,292)	114,174
Increase/(decrease) in creditors	54,622	(23,653)
Net cash provided by operating activities	292,617	641,299
Analysis of changes in net debt	At 1	At 31 July
	August	Cash
	2020	Flows
	£	£
Cash and cash equivalents	1,605	(584)
Cash in hand	866,244	(128,508)
Cash at bank	867,849	(129,092)
	738,757	737,736

The notes on pages 19 to 29 form part of these accounts.

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

NOTES TO THE ACCOUNTS

For the year ended 31 July 2021

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 as this is the functional and presentational currency of the charitable company.

Going concern

At the year end, there were net current assets of £57,039 (2020: £184,461) and total net assets of £10,182,810 (2020: £9,987,316). The School continues to generate cash from operating activities and has made a surplus for the year. The Directors have considered the impact of the COVID-19 pandemic on the financial results for the year but have also considered a number of scenarios around the possible impact of COVID-19 on surpluses and cash through to July 2023. The Directors have reviewed scenarios which include a reduction in the school roll and a reduction in rental income. 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 9 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.

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 July 2021

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.

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 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 on 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.

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

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 July 2021

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 17.

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 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 2021

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.

2 School fees income	2021	2020
	£	£
a) The school's fee income comprised:		
Gross fees	9,674,777	10,018,540
<u>Less:</u> Total bursaries and allowances	(840,908)	(994,424)
<u>Add:</u> Grants from CEC (restricted income)	74,930	78,185
	<u>8,908,799</u>	<u>9,102,301</u>
	<u>=====</u>	<u>=====</u>
b) Bursaries and awards paid comprised:		
Bursaries paid by unrestricted funds	483,739	753,688
Bursaries paid by restricted funds	108,143	-
	<u>591,882</u>	<u>753,688</u>
	<u>=====</u>	<u>=====</u>
 3 Ancillary income all unrestricted	 2021	 2020
	£	£
Dinner and food charges	139,119	299,229
After-hours charges	56,040	83,616
Clubs and activities	215,982	313,724
	<u>411,141</u>	<u>696,569</u>
	<u>=====</u>	<u>=====</u>

4 Other income

During the year the company received support from the government under the Coronavirus Job Retention Scheme of £176,654 (2020 - £255,764). The scheme provides for the reimbursement of wages for employees who were placed on furlough leave.

Under the scheme the company applied for the reimbursement of up to 80% of employees' wage costs up to £2,500 per wages payable. The scheme was accessed by designating affected employees as furloughed or retained on paid leave of absence, notifying employees of these changes, submitting information about these employees and their earnings to HMRC.

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

For the year ended 31 July 2021

5 Expenditure - analysis of total resources expended	Staff Costs	Other	Depreciation	2021 Total	2020 Total
	£	£	£	£	£
Charitable activities					
School operating costs:					
Teaching costs	5,646,364	303,830	-	5,950,194	6,211,094
Welfare costs	454,256	289,862	-	744,118	786,767
Premises	631,053	736,842	311,405	1,679,300	1,555,569
Support costs (note 6)	785,228	401,983	168,147	1,355,358	1,457,016
Governance costs	-	32,167	-	32,167	25,215
	<u>7,516,901</u>	<u>1,764,684</u>	<u>479,552</u>	<u>9,761,137</u>	<u>10,035,660</u>
Cost of Raising Funds					
General expenses of fundraising	-	-	-	-	229
Investment managers' fees	-	13,182	-	13,182	12,275
	<u>-</u>	<u>13,182</u>	<u>-</u>	<u>13,182</u>	<u>12,504</u>
2021	<u>7,516,901</u>	<u>1,777,866</u>	<u>479,552</u>	<u>9,774,319</u>	<u>10,048,164</u>
2020	<u>7,507,368</u>	<u>2,055,204</u>	<u>485,592</u>	<u>10,048,164</u>	

Included in expenditure are use of restricted funds of £93,692 (2020: £98,138) as noted in note 17.

6 Analysis of support costs	2021	2020
	£	£
Salaries	785,228	910,951
Marketing	62,882	66,786
External accounting fees	33,882	127,416
Legal and professional	3,565	11,621
Office costs	237,289	218,377
Trips	53,910	118,547
Travel	10,455	-
Depreciation	168,147	3,318
	<u>1,355,358</u>	<u>1,457,016</u>

7 Staff costs	2021	2020
	£	£
Wages and salaries	5,973,006	5,977,643
Social security	569,667	582,594
Pension costs	974,228	947,131
	<u>7,516,901</u>	<u>7,507,368</u>

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

For the year ended 31 July 2021

7 Staff costs (continued)

	2021	2020
	No.	No.
The average number of employees was:		
Teaching and teaching support	135	148
Non-teaching	71	65
	<u>206</u>	<u>213</u>

Key management personnel are considered to be Council Members, the senior management team which includes the Head, the Business Director, the Facilities Director, the Heads of the Lower and Junior schools, the Head of Boarding, the Deputy Head Academic and Deputy Head Pastoral and the Senior Deputy Head. Total remuneration paid to the other key management personnel (including employer's national insurance) amounted to £671,869 (2020: £695,604) (plus pension contributions of £116,203 (2020: £116,108)). 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:

	2021	2020
	£	£
£60,001 - £70,000	2	2
£70,001 - £80,000	2	2
£130,001 - £140,000	1	1
	<u>=====</u>	<u>=====</u>

Four (2020: four) of the above employees were accruing benefits under a defined benefit pension scheme.

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

8 Net incoming resources for the year

	2021	2020
	£	£
This is stated after charging:		
Auditor's remuneration – audit fees	18,466	16,139
Depreciation	479,552	485,592
Operating lease rentals – land and buildings	24,957	24,957
	<u>=====</u>	<u>=====</u>

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 2021

9 Fixed assets	Land & Buildings	Other Assets	Total
	£	£	£
Cost			
At 1 August 2020	12,221,844	2,770,995	14,992,839
Additions	187,968	249,619	437,587
Disposals	-	(109,111)	(109,111)
At 31 July 2021	12,409,812	2,911,503	15,321,315
Depreciation			
At 1 August 2020	4,481,217	2,438,726	6,919,943
Charge for year	311,405	168,147	479,552
Disposals in year	-	(108,211)	(108,211)
At 31 July 2021	4,792,622	2,498,662	7,291,284
Net Book Value at 31 July 2021	7,617,190	412,841	8,030,031
Net Book Value at 31 July 2020	7,740,627	332,269	8,072,896

10 Investments	2021	2020
	£	£
Quoted investments	1,994,729	1,626,933
Cash held as part of portfolio	101,011	103,026
	2,095,740	1,729,959
Investments at current value 1 August 2020	1,626,933	1,726,705
Additions at cost	186,017	455,130
Disposals at brought forward current value	(155,822)	(509,614)
Revaluation gains	337,601	(45,288)
Investment at current value at 31 July 2021	1,994,729	1,626,933
Historical cost of investments	1,439,113	1,414,061

11 Debtors: Amounts falling due within one year	2021	2020
	£	£
Fees and outlays outstanding	49,212	116,475
Other debtors	184,208	58,147
Prepayments	60,382	62,888
	293,802	237,510

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

For the year ended 31 July 2021

12 Creditors: Amounts falling due within one year	2020	2019
	£	£
Trade creditors	229,767	84,640
Taxation and social security	152,039	157,098
Hire purchase	19,801	28,178
Other creditors	471,404	371,668
Deferred income	84,605	207,134
Accruals	17,904	72,180
	975,520	920,898

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

	Fee Income in advance
	£
Deferred income	
Balance at 1 August 2020	207,134
Income received and deferred in year	84,605
Release in year	(207,134)
	84,605

13 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 School for Girls 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 Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in

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

For the year ended 31 July 2021

13 Pension commitments (continued)

force until 1 April 2024.

- (v) St George's, Edinburgh level of participation in the scheme is 0.1% based on the proportion of employer contributions paid in 2019-20.

The total pension cost for the period was £890,746 (2020: £865,642) and has been charged to the Statement of Financial Activities. At 31 July 2021 contributions amounting to £104,673 (2020: £169,316) were payable and are included in creditors.

The pension cost for non-teaching staff for the year was £83,482 (2020: £81,489) and has been charged to the Statement of Financial Activities. Contributions of £15,015 (2020: £27,963) relating to the Group Personal Pension Scheme for July 2021 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.

14 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.

15 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.

16 Analysis of net assets between fund	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	8,030,031	-	8,030,031	8,072,896
Investments	-	2,095,740	2,095,740	1,729,959
Current assets	605,378	427,181	1,032,559	1,105,359
Current liabilities	(975,520)	-	(975,520)	(920,898)
	<u>7,659,889</u>	<u>2,522,921</u>	<u>10,182,810</u>	<u>9,987,316</u>

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

For the year ended 31 July 2021

17 Analysis of funds	Balance as at 1 August 2020 £	Received in the year £	Funds Expended/ Transferred £	Gains/ losses on Investment £	Transfers £	Balance as at 31 July 2021 £
Unrestricted funds	7,651,662	9,508,698	(9,680,627)	-	180,156	7,659,889
Restricted funds						
The Bursary Fund	1,888,595	36,701	(13,182)	342,984	(108,143)	2,146,955
MacAuley Travel Award	2,085	-	-	-	-	2,085
Clayton Art Award	1,013	-	(17)	-	-	996
St George's Futures Fund	22,083	500	-	-	-	22,583
Flags Fund	-	-	-	-	-	-
Dorward Award for Spanish	250	-	-	-	-	250
Tate Award for French	50	-	-	-	-	50
Helen Mackie Prize Fund	240	-	(105)	-	-	135
Confucius Investment Fund	8,484	-	-	-	-	8,484
Music and Property Fund	387,426	-	(3,742)	-	(66,013)	317,671
Nursery Partnership Fund	-	74,930	(74,930)	-	-	-
Restricted Parent Donations	25,428	6,000	(1,716)	-	(6,000)	23,712
	<u>2,335,654</u>	<u>118,131</u>	<u>(93,692)</u>	<u>342,984</u>	<u>(180,156)</u>	<u>2,522,921</u>
Total funds	<u>9,987,316</u>	<u>9,626,829</u>	<u>(9,774,319)</u>	<u>342,984</u>	<u>-</u>	<u>10,182,810</u>

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 of £23,519 was used to fund bursaries (income of £36,701 less investment manager's fees of £13,182). In addition an amount of £108,143 was transferred to the unrestricted fund to fund bursaries in excess of 5% of gross fee income.

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 £500 were received during the year.

The Flags Fund is for the provision of flags to the School.

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. No awards were 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 2021

17 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. Three 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 £66,013 was transferred from the fund to match capital expenditure made in respect of the Upper School Hall project which was in progress at the year end.

The Nursery Partnership Fund receives grant funding from the Government to help subsidise Nursery places.

The Restricted Parent Donations Fund administers different donations received from parents and during the year funds were used for educational resources.

18 Commitments under operating leases

At 31 July 2021, the total of future minimum lease payments under non-cancellable operating leases were as follows:

	2021 £	2020 £
Operating leases which expire:		
In less than one year	6,240	-
Within 2 to 5 years	-	31,197
	<u>6,240</u>	<u>31,197</u>
	=====	=====

The operating lease payments are for IT equipment and fall due as follows:

	2021 £	2020 £
Due in less than 1 year	6,240	24,957
Due between 2 and 5 years	-	6,240
	<u>6,240</u>	<u>31,197</u>
	=====	=====

19 Capital commitments

At 31 July 2021, the company was committed to making the following payments:

	2021 £	2020 £
Contracted but not provided for	283,987	-
	<u>283,987</u>	<u>-</u>
	=====	=====

Commitments are in respect of the Upper School Hall project which started in July 2021 and was completed in September 2021. The total amount committed at the start of the project was £350,000 with £66,013 having been spent at the year end.