

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

DIRECTORS' REPORT and ACCOUNTS

For the year ended 31 July 2023

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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 2023

The Directors have pleasure in presenting their annual report for the year ended 31 July 2023 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.

OBJECTIVES AND ACTIVITIES

History

The founders of St George's School took the lead at every advance of the women's educational movement in late nineteenth century Scotland. They were prominent campaigners for the admission of women to Edinburgh University, founding special classes to degree standard, taught by sympathetic lecturers. They founded St George's Training College in 1886 to train women as teachers, the first of its kind in Scotland.

In 1888 they founded our school, at that time based in Melville Street, offering a full liberal academic education for girls; it remains committed to this aspiration.

Our Chaucerian motto, conceived in 19th century Melville Street building, is as relevant today as it has ever been, and it continues to inform our values and school ethos today: Trouthe & Honour, Fredom & Curteisye:

- Truth: Seeking 'truth' is at the heart of a St George's education. Not only do we encourage our girls to be true to themselves, but we also prize creativity, innovation and a problem-solving mindset amongst our students.
- Honour: We encourage every member of our community to be respectful towards one another and to behave with honour within and beyond school. Our mantra is that we welcome and value everyone, every day.
- Freedom: Our girls have the freedom to be themselves at St George's. We individualise each girl's pathway through school and empower them to find their voice and believe in their own abilities.
- Courtesy: The natural courtesy our girls extend to one another, their open-mindedness and willingness to reach out, is exemplified in how we reach out to each other, to the local Edinburgh community and to the world beyond our campus.

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

- to provide a full education for girls between the ages of 3 and 18 and for boys between the ages of 3 and 7, including the provision of boarding facilities;
- to provide an excellent educational outcome for every single one of our pupils through breadth of opportunity, an appreciation for and support of the individuality of our students and a focus on aspiration for all;
- to provide a broad and exciting curriculum of activities, supported by excellent staff and facilities and an abundance of inspiring female role models;
- to draw upon best practice within Scotland and internationally, and to remain open to change and self-improvement in every aspect of our work.

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 training of teachers;
3. education of children and young people through the development of educational provision;
4. education of children and young people through the use of our facilities by our pupils and the wider community;
5. education of children and young people through their voluntary work in our local community and charitable fund-raising activity;
6. lifelong education through providing access to our historically significant archive;
7. provision of financial assistance through means-tested bursaries.

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Strategic objectives for the year

In 2022-23, we were able to resume our full educational offer, following two years of pandemic-enforced restrictions. We also welcomed a new Head, Mrs Carol Chandler-Thompson, enabling the school to take stock and resume strategic development with renewed energy and purpose.

The strategic objectives for the 2022-23 session were:

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

- curriculum development through exploration of skill development (digital, metaskills and inter-disciplinarity) and improving the diversity within the curriculum to reflect the rich diversity of the school's population;
- develop and embed the school's commitment to an all-round education by further developing our pastoral care and well-being provision for staff and pupils;
- to focus on excellence in all areas of our educational provision and communication;
- to maintain and improve the fabric of the school's estate, with a focus on accessibility and sustainability;
- to continue to drive interest in admissions for the school through a renewed strategy for marketing and communication;
- to continue to build strong relationships within our community of alumnae and families, as well as with local partners and community groups;
- to map out our strategy for the next 5-10 years and prepare for a development campaign to support it.

Our activities to achieve our objectives

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 are in the midst of a full Curriculum Review and have been monitoring closely the outcomes of the Independent Review of Qualifications and Assessment conducted by the Scottish Government, which reported in June 2023.

During 2022-2023 St George's School continued to benefit the public directly through its provision of high-quality education to 720 pupils aged from 3-18, including 40 boarders. The level of fees charged was directly related to the services provided and rigorously justified. The school continued to work to widen access through the provision of means-tested bursaries, including the provision of three fully funded places to Ukrainian refugees.

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. 61 pupils (8.5% of the student population) received bursaries during 2022-23, with 13 of those being 100% bursaries. The total provided in bursaries for the year amounted to £580,906.

The school's finances continue to remain healthy, albeit some challenges have been posed by inflationary pressure, increased teacher salaries in the state sector and the cost of living crisis. 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 some 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.

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.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

Monitoring and measuring achievements

The School Improvement Plan is an important tool for the Council to monitor how well the school is doing in achieving its strategic objectives and the committees of the Council monitor progress against these objectives on a termly basis through audit. All members of the school community contribute to this audit process, either through completing audits in departments, pupil or parent surveys. In this way the leadership of the school, together with Council, can continue to measure the success of the school in meeting its aims and objectives.

The Council also considers that the exam results achieved by the pupils are one 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 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.

External inspection

We maintain a close relationship with the Care Inspectorate and Education Scotland to ensure we are meeting our regulatory requirements. Both our Nursery and Boarding provision were inspected by the Care Inspectorate this academic session, with extremely pleasing outcomes for both inspections. Inspectors commented on the extremely positive relationships and exemplary practices cultivated within our Boarding House and the warm and welcoming atmosphere within Nursery.

Examination results

We were delighted with this year's results, especially given the challenges faced by this cohort throughout 2019-21. At Advanced Higher, 65% of results were graded A, 22% were at B and 10% at C. At Higher 57% of entries achieved an A grade, 22% were Bs and 13% were Cs. At GCSE 96% of our entries were graded 9-4, with 30% achieving the highest grades, 9/8.

External Competitions and Awards

External recognition of students' academic achievements is also an indication of the excellence achieved by students across the whole curriculum, supported by their teachers.

In April fifty of our students took part in the UKMT Junior Mathematical Challenge. To recognise the highest performers in the Challenge, the top-scoring 50% of participants are awarded Bronze, Silver and Gold certificates and this year three students achieved bronze awards and one received a silver award.

The Scottish Mathematical Challenge is a problem-solving competition for individual pupils in Scottish secondary schools, and we were very proud of our two students who attended the prizegiving ceremony at Napier University, Sighthill Campus, where they received their Gold Award certificate, with two more attending to receive Silver Awards and one Bronze.

Two students represented St. George's at the prestigious Scottish Space School, hosted at Strathclyde University. Only 80 students are admitted annually, with a programme which provided attendees with an opportunity to learn from some of the world's leading figures in space travel, including NASA astronauts and engineers. Both worked with students from a range of schools and one of our students was on the winning team at the end of the week. The same student has also been awarded a place at the ISAAC Senior Physics challenge Award residential summer school, which takes place at Cambridge University. There are only 50 places awarded nationally and she completed over 400 questions online with distinction to earn a place. Four students also received Silver Industrial Cadet Awards for their role in the 'CanSat' competition. The team competed in the regional competition for the first time ever. Their homemade satellite was launched to over 300m in under a second! On its journey down it successfully measured and transmitted data on pressure, temperature, Infra-red, UV and gas levels. This project developed a huge range of skills including design, engineering, programming and electronics and required much teamwork and hard work.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

The AWS GetIT programme is designed to get more girls interested in a career in technology, by working through a series of online modules, then entering a competition to design an app that solves a problem in their community. As St George's we had 25 students in Upper 4 complete the programme. Only two groups could enter the UK competition, one of which, Work in Progress, was selected by a panel to compete in the UK final. In June the team travelled down to London for the national final, where they presented their app, "Food 4 U" to a panel of judges including executives from AWS, the BBC and Lego. They were declared the winners, thanks to their clever idea, thorough use of data, and their engagement with feedback.

Two RMPS Higher students won first prize in a video competition on the topic 'why study religion?' run by the University of Edinburgh. The judges were impressed by this very thoughtful, well-researched entry. They received a £100 prize and went to the University to collect it.

Our Model United Nations society is an important group for older students to develop knowledge of international politics and refine their debating skills and political knowledge. The MUN team competed in two MUN conferences held at independent schools in Edinburgh, winning awards for Best Delegate and Team.

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.

We are proud of our Community Engagement programme which allows local clubs, groups and charities to use a range of our facilities 7 days a week and throughout the holidays at a reduced or zero cost. The programme works directly with over 40 local groups, benefitting 1000s of young people and adults. In the last year we facilitated 693 bookings during the out of school hours slots and had our first residential booking during the summer holiday.

We have three active partnerships with Netball Scotland, Lacrosse Scotland and Edinburgh Judo. We are in the final stages of adding Badminton Scotland as partners. All partnerships aim to increase the profile of women and girls' opportunities in participation, workforce development and ensure a growth of sport within the community (all ages and identities).

During themed weeks, such as Scottish Women and Girls in Sport week, we invited local Primary schools to attend PE and sporting activities within the school day. Through our partnership with Netball Scotland, one of the many events we hosted was the Netball Scotland Walking Netball workshop with the Scottish Government Minister for Equalities & Older People with participants from the local community.

The school aims to attract pupils from all backgrounds, ethnic groups and financial circumstances and we have begun to collect and analyse anonymised data as part of our aim to understand the diversity of our community fully and to ensure equity of access and achievement.

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 2022-23 and paid through the school was £4,230.

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. Our Junior students have helped to create the festive decorations in the Roseburn area at Christmas and a key part of the Upper Four activity week is to provide service locally by under-taking a clean-up of the Water of Leith walkway.

This year saw us host our inaugural TEDx event, with a theme of 'Voices of Possibility' and an all-female speaking line-up. Due to securing sponsorship for the event, we were able to invite and host students from local state and independent

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

schools. Diverse topics were covered, including the ethics of crypto-currency, recovery from eating disorders, a personal perspective on inclusion in Edinburgh, and the power of expression. Feedback from our guests suggested that they found the event and speakers very inspiring.

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.

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.

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 we have resumed the physical exchange programme with all our partner schools and have also been able to host teacher and Head teacher visits from Switzerland, New Zealand, China and Australia. Our students travelled to Italy alongside two partner schools as part of one of the final Erasmus projects in April 2023.

A balanced education

A truly balanced 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 intention 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 113 girls participated during the 2022-23 session with 59 Bronze participants, 37 Silver and 17 at Gold level. Our younger pupils also complete Junior Duke Awards as a pre-cursor to the full Duke of Edinburgh Award; this year we were able to award over ten certificates in Primary 6 for completion of the award.

We were able to resume drama productions this year and students performed in everything from a joint-production of 'Brecht's 'Caucasian Chalk Circle' for senior students, to a Musical Medley for lower school students and several musical and dramatic productions for junior-aged students. Numbers participating in drama continue to grow and we were particularly proud of one of our Upper Four students who appeared in a production of Macbeth at the Lyceum Theatre.

In Music, there have been multiple performance opportunities for the students: the St Giles Carol Service; Christmas Concert; Spring Concert; Choral Concert Lunchtime Recitals; Cantate Concert; Senior Piano Performance Platform; Leavers' Recital and Speech Day at St Mary's Cathedral.

It has been a pleasure to finally be able to invite larger audiences to share in these performances and we are certainly rebuilding post-Covid after not being able to perform for others for so long. We had the pleasure of hosting the Scottish Young Musician Independent Schools' Competition in Spring term, and one of our Upper Sixth musicians, who goes off to study Music at Cambridge this year, acquitted herself admirably amongst stiff competition. In addition to all the ensembles and events, we have also seen many girls undertake Trinity and ABRSM examinations; of 91 examinations taken, there have been 14 passes, 38 merits and 39 distinctions and one diploma. 14 of those examinations were at grade 6 and above.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

We have close relationships with Netball Scotland, Judo Scotland and Lacrosse 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 fencing, gymnastics, lacrosse and badminton this year.

Rights Respecting Schools Award

We were delighted to have been accredited at Silver level for the Rights Respecting Schools Award in Senior/Lower School and at Bronze in the Junior School. We plan to bring Junior School to Silver level next session. The focus this session has been on embedding the student voice element of the award more firmly into the life of the school, and in ensuring that Student Councils are meaningful and productive. As a result of our work in this area, our Head was asked to present on our outcomes at the Girls' Schools Association conference in London in June.

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 99% of sixth form leavers meeting the conditions for their first-choice institution to start the 2023-4 academic session. Aberdeen, Edinburgh, St Andrews, Glasgow and Dundee remain very popular destinations in Scotland, but our students will also be attending London, Exeter, Durham, Manchester, Oxford, Cambridge, Bath 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 Architecture all continue to be popular courses, alongside some new emerging choices such as Ethical Hacking and Criminology.

FINANCIAL REVIEW

Financial performance and going concern

Pupil numbers were maintained, however the financial results for the year have been significantly impacted by inflationary pressures and increased teaching salaries in the state sector.

The school recorded a loss of £420,931 (2022: surplus of £73,492). Unrestricted funds showed a loss of £489,400 (2022: surplus of £177,007) before transfers, which is calculated after deducting depreciation of £556,781 (2022: £535,379), a non cash item. The principal source of funds for the school is tuition and boarding fee income. Fee income (net of discounts and bursaries) increased by £384,177.

At the year end, there were net current assets of £58,168 (2022: £255,125) and total net assets of £9,835,371 (2022: £10,256,302). Cash provided by operating activities was £198,619 (2022: £431,359) and these funds were mainly used in the purchase of fixed assets. Cash generated from operations and investments, less expenditure on assets, resulted in a net cash outflow of £65,779 (2022: £78,408).

The cash position at the end of the year is £594,570 (2022: £660,349). 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.

Financial position at 31 July 2023

The school's unrestricted funds, which constitute free reserves, stood at £7,761,169 (2022: £8,121,752) 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 £2,074,202 (2022: £2,134,550) at the year end. The decrease is due to a loss on investments in the Bursary Fund and a transfer out of the fund to cover some bursary costs. All the separate bursary funds were combined at 1 August 2010 into the Bursary Fund and the balance stood at £1,977,909 (2022: £2,045,692) at 31 July 2023. 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 2023 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (continued)

Results

The audited accounts for the year ended 31 July 2023 show a loss before gains and losses of £395,976 (2022: surplus of £204,643) and a total loss after realised and unrealised losses on investment and fixed assets of £420,931 (2022: surplus of £73,492). The loss in the year was mainly due to inflationary pressures, particularly around staff costs, with the state sector teacher pay award announced in March 2023 being much higher than anticipated. Donations and fundraising income in total for the unrestricted fund and restricted funds was £41,987 (2021: £4,478).

Debtors were £4,299,264 (2022: £599,539) at 31 July and creditors were £4,835,666 (2022: £1,004,763). Both balances were significantly higher than at 31 July 2022 due to August invoices being issued at the end of July 2023 rather than at the beginning of August as in the previous year.

Income

The main source of income for the school is fee income charged for the provision of education. Gross fee income for the year was £10,967,531 (2022: £10,571,106).

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 71.2% of unrestricted expenditure. Teaching salary costs in total were £6,370,819.

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 £580,906 (2022: £562,638) 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% (2022: 5.3%) 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 2023	No. of Pupils 2022
100%	13	14
80% - 99%	12	18
60% - 79%	9	7
40% - 59%	11	11
1% - 39%	16	19
	61	69

Investments

The school holds an investment portfolio which returned investment income of £79,453 (2022: £31,146). This income has been used towards bursary costs during the year. Council is satisfied that the Investment Managers have performed in line with relevant benchmarks.

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, £9,777,203, 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 £9,835,371 (2022: £10,256,302) made up of restricted funds of £2,074,202 (2022: £2,134,550) and unrestricted funds of £7,761,169 (2022: £8,121,752).

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (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 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:

Risk Area	Mitigating Actions
Political There are remaining uncertainties over the political and regulatory views on independent education. There has been much coverage in the media of Labour's intention to impose VAT on school fees and/or remove independent schools' charitable status if they win the next general election.	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. Scenario planning of the school's finances is performed regularly to understand the impact of potential tax or other political changes.
School Roll 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. The school has a comprehensive marketing strategy. School roll is monitored to ensure that resources can be reduced in response to a falling roll, if necessary.
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. 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.
Factors Affecting the Financial Position and Performance The principal cost increases facing the school in 2023/24 are ongoing inflation on food and energy and teaching salary costs.	<p>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.</p> <p>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 is not immediately affected by interest rate rises.</p>

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 portfolio is currently invested 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 2.1% having decreased by 4.7% during the prior year.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (continued)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023 (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 10. 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
- Safeguarding Committee
- Development 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
(A Company Limited by Guarantee)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (continued)

REFERENCE & ADMINISTRATIVE INFORMATION

St George's was founded in 1888. Its charity registration number is SC012632 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.

Mr P J Anderton (Appointed 30 June 2023)
Mr M D Blencowe
Mr C I Brown (Appointed 8 March 2023)
Ms S Crawford
Mrs K J McDiarmid
Sheriff I H L Miller
Mrs A M Norrie (Resigned 31 March 2023)
Mr A H Rae (Resigned 31 March 2023)
Sheriff L M Ruxton (Vice Chair)
Mr S Scott
Mr J A Stewart (Appointed 11 September 2023)
Mr A R Taylor
Mrs S E Thomson
Mr A Watt (Resigned 30 June 2023)
Mr I F Witherington
Mr R J Wylie (Chair)

Key Executives and Professional Advisers

Head	Mrs Carol Chandler-Thompson
Business Director & Secretary	Mrs Fiona Duncanson
Senior Statutory Auditor	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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2023 (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 6 December 2023 and signed on its behalf by:

Roderick Wylie

R J WYLIE
Chair of Council

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

For the year ended 31 July 2023

Opinion on accounts

We have audited the accounts of St George's Edinburgh (the 'charitable company') for the year ended 31 July 2023 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 2023 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 2023

- 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 11, 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;

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

For the year ended 31 July 2023

- 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, and 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 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 and undertook a review of Education Scotland annual visit reports, Care Inspectorate reports, and searched the online Information Commissioner's Office database for potential breaches in laws 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

15/12/23
Date.....

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 2023

	Notes	Un- Restricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Un- Restricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Income and Endowments from:							
Donations		9,350	32,637	41,987	-	4,478	4,478
Charitable activities:							
Fees receivable	2	10,119,925	-	10,119,925	9,735,652	96	9,735,748
Ancillary income	3	1,027,198	-	1,027,198	881,695	-	881,695
Other trading activities		81,157	-	81,157	80,058	-	80,058
Investments		13,911	79,453	93,364	1,023	31,146	32,169
Other		7,609	-	7,609	-	-	-
Total income		11,259,150	112,090	11,371,240	10,698,428	35,720	10,734,148
Expenditure on:							
Raising funds	4	-	4,779	4,779	-	1,258	1,258
Charitable activities	4	11,758,849	3,588	11,762,437	10,521,421	6,826	10,528,247
Total expenditure	4	11,758,849	8,367	11,767,216	10,521,421	8,084	10,529,505
Net (expenditure)/income before gains and losses		(499,699)	103,723	(395,976)	177,007	27,636	204,643
Realised gain on disposal of fixed assets		10,299	-	10,299	-	-	-
Realised (loss) on investments		-	(227)	(227)	-	(129,153)	(129,153)
Unrealised (loss) on investments		-	(35,027)	(35,027)	-	(1,998)	(1,998)
Net (expenditure)/income		(489,400)	68,469	(420,931)	177,007	(103,515)	73,492
Transfers between funds		128,817	(128,817)	-	284,856	(284,856)	-
Net movement in funds		(360,583)	(60,348)	(420,931)	461,863	(388,371)	73,492
Reconciliation of funds:							
Total funds brought forward		8,121,752	2,134,550	10,256,302	7,659,889	2,522,921	10,182,810
Total funds carried forward		7,761,169	2,074,202	9,835,371	8,121,752	2,134,550	10,256,302

All incoming resources and resources expended derive from continuing activities.

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 July 2023

	Notes	£	2023 £	£	2022 £
Fixed Assets					
Tangible assets	8		7,739,793		8,003,187
Investments	9		2,037,410		1,997,990
			-----		-----
			9,777,203		10,001,177
Current Assets					
Debtors: amounts falling due within one year	10	4,299,264		599,539	
Cash and short term deposits		594,570		660,349	
			-----	-----	
		4,893,834		1,259,888	
Creditors: Amounts falling due within one year	11	4,835,666		1,004,763	
			-----	-----	
Net current assets			58,168		255,125
			-----		-----
Net assets			9,835,371		10,256,302
			=====		=====
Reserves					
Restricted Funds	15 & 16		2,074,202		2,134,550
Unrestricted Funds	15 & 16		7,761,169		8,121,752
			-----		-----
			9,835,371		10,256,302
			=====		=====

The report and accounts were approved and authorised for issue by the Board on 6 December 2023 and signed on its behalf by:

Roderick Wylie

R J Wylie

Chair

CI Brown

C I Brown

Director

F Duncanson

F Duncanson

Secretary

Company No. SC008667

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

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

STATEMENT OF CASHFLOWS

For the year ended 31 July 2023

	2023	2022	
	£	£	
Cash flows from operating activities:			
Net cash provided by operating activities	198,619	431,359	
	-----	-----	
Cash flows from investing activities:			
Dividends, interest and rents from investments	93,364	32,169	
Proceeds from sale of property, plant and equipment	10,299	-	
Purchase of property, plant and equipment	(293,387)	(508,535)	
Proceeds from sale of investments	7,396	1,866,584	
Purchase of investments	(133)	(1,999,376)	
(Increase)/decrease in cash investments held by investment manager	(81,937)	99,391	
	-----	-----	
Net cash used in investing activities	(264,398)	(509,767)	
	-----	-----	
Change in cash and cash equivalents in the year	(65,779)	(78,408)	
	-----	-----	
Cash and cash equivalents at the beginning of the year	660,349	738,757	
	-----	-----	
Cash and cash equivalents at the end of the year	594,570	660,349	
	=====	=====	
Analysis of cash and cash equivalents			
Cash in hand	872	816	
Cash at bank	593,698	659,533	
	-----	-----	
	594,570	660,349	
	=====	=====	
Reconciliation of net (expenditure)/income to net cash flow from Operating activities	2023	2022	
	£	£	
Net (expenditure)/income for the year	(420,931)	73,492	
Depreciation charges	556,781	535,379	
(Gains) on property, plant and equipment	(10,299)	-	
Losses on investments	35,254	131,151	
Dividends, interest and rents from investments	(93,364)	(32,169)	
(Increase) in debtors	(3,699,725)	(305,737)	
Increase in creditors	3,830,903	29,243	
	-----	-----	
Net cash provided by operating activities	198,619	431,359	
	=====	=====	
Analysis of changes in net debt	At 1	Cash	At 31 July
	August	Flows	2023
	2022		2023
	£	£	£
Cash and cash equivalents	816	56	872
Cash in hand	659,533	(65,835)	593,698
Cash at bank	-----	-----	-----
	660,349	(65,779)	594,570
	-----	-----	-----

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

NOTES TO THE ACCOUNTS

For the year ended 31 July 2023

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 £58,168 (2022: £255,125) and total net assets of £9,835,371 (2022: £10,256,302), of which £7,761,169 (2022: £8,121,752) was unrestricted. Although the school made a loss in the year, Council made the difficult decision to implement a significant fee increase for the 2023-24 school session, so expect the financial position to improve. In addition, the school still has sufficient reserves and no long-term debt. 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.

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 July 2023

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 is recognised on receipt and includes fees received from partner schools for hosting placement students and exam marking.

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.

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 2023

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.

Contingent liabilities

A contingent liability is recognised where there is a present obligation but the amount required to settle it cannot be reliably estimated.

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 2023

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	2023	2022
	£	£
a) The school's fee income comprised:		
Gross fees (unrestricted)	10,967,531	10,571,106
<u>Less:</u> Bursaries	(580,906)	(562,638)
<u>Less:</u> Other Allowances	(266,700)	(272,816)
<u>Add:</u> Grants from CEC (restricted income)	-	96
	-----	-----
	10,119,925	9,735,748
	=====	=====
b) Bursaries and awards paid comprised:		
Bursaries paid by unrestricted funds	469,983	562,638
Bursaries paid by restricted funds	110,923	-
	-----	-----
	580,906	562,638
	=====	=====
 3 Ancillary income	 2023	 2022
	£	£
Dinner and food charges	432,516	398,010
After-hours charges	105,327	87,043
Clubs and activities	489,355	396,642
	-----	-----
	1,027,198	881,695
	=====	=====

All ancillary income is unrestricted.

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

For the year ended 31 July 2023

4 Expenditure - analysis of total resources expended	Staff Costs	Other	Depreciation	2023 Total	2022 Total
	£	£	£	£	£
Charitable activities					
School operating costs:					
Teaching costs	6,370,819	281,807	-	6,652,626	5,946,486
Welfare costs	530,761	586,709	-	1,117,470	1,012,432
Premises	691,596	1,102,048	347,769	2,141,413	1,921,826
Support costs (note 5)	833,391	777,057	209,012	1,819,460	1,618,914
Governance costs	-	31,468	-	31,468	28,589
	8,426,567	2,779,089	556,781	11,762,437	10,528,247
Cost of Raising Funds					
Investment managers' fees	-	4,779	-	4,779	1,258
	-	4,779	-	4,779	1,258
2023	8,426,567	2,783,868	556,781	11,767,216	10,529,505
2022	7,609,806	2,384,320	535,379	10,529,505	

Included in expenditure are use of restricted funds of £8,367 (2022: £8,084) as noted in note 16.

5 Analysis of support costs	2023	2022
	£	£
Salaries	833,391	803,480
Marketing	115,069	82,588
External accounting fees	23,652	50,550
Legal and professional	106,190	27,191
Office costs	275,020	276,532
Trips	240,148	168,219
Travel	16,978	15,812
Depreciation	209,012	194,542
	1,819,460	1,618,914
	=====	=====
6 Staff costs	2023	2022
	£	£
Wages and salaries	6,681,561	6,011,484
Social security	659,705	618,719
Pension costs	1,085,301	979,603
	8,426,567	7,609,806
	=====	=====

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 July 2023

6 Staff costs (continued)

	2023	2022
	No.	No.
The average number of employees was:		
Teaching and teaching support	130	131
Non-teaching	81	82
	-----	-----
	211	213
	=====	=====

Key management personnel are considered to be Council Members, the senior management team which includes the Head, the Senior Deputy Head, the Business Director, the Heads of the Lower and Junior Schools, the Deputy Head Academic and the Deputy Head Pastoral. Total remuneration paid to the key management personnel (excluding employer's national insurance) amounted to £546,486 (2022: £505,005) (plus pension contributions of £112,798 (2022: £101,202)). 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:

	2023	2022
	No.	No.
£60,001 - £70,000	4	4
£70,001 - £80,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	=====	=====

Five (2022: five) 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.

7 Net incoming resources for the year	2023	2022
	£	£
This is stated after charging:		
Auditor's remuneration – audit fees	20,862	19,484
Depreciation	556,781	535,379
Hire purchase agreements	9,139	9,139
	=====	=====

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 2023

8 Fixed assets	Land & Buildings £	Other Assets £	Total £
Cost			
At 1 August 2022	12,826,652	3,003,198	15,829,850
Additions	74,775	218,612	293,387
Disposals	-	(79,966)	(79,966)
	-----	-----	-----
At 31 July 2023	12,901,427	3,141,844	16,043,271
	-----	-----	-----
Depreciation			
At 1 August 2022	5,133,460	2,693,203	7,826,663
Charge for year	347,769	209,012	556,781
Disposals in year	-	(79,966)	(79,966)
	-----	-----	-----
At 31 July 2023	5,481,229	2,822,249	8,303,478
	-----	-----	-----
Net Book Value at 31 July 2023	7,420,198	319,595	7,739,793
	=====	=====	=====
Net Book Value at 31 July 2022	7,693,192	309,995	8,003,187
	=====	=====	=====

9 Investments	2023 £	2022 £
Quoted investments	1,953,853	1,996,370
Cash held as part of portfolio	83,557	1,620
	-----	-----
	2,037,410	1,997,990
	=====	=====
Investments at current value 1 August 2021	1,996,370	1,994,729
Additions at cost	133	1,999,376
Disposals at brought forward current value	(7,623)	(1,995,737)
Revaluation (losses)/gains	(35,027)	(1,998)
	-----	-----
Investment at current value at 31 July 2022	1,953,853	1,996,370
	=====	=====
Historical cost of investments	1,991,118	1,998,318
	=====	=====

10 Debtors: Amounts falling due within one year	2023 £	2022 £
Fees and outlays outstanding	3,882,476	21,841
Accrued income	40,920	309,247
Prepayments	375,868	268,451
	-----	-----
	4,299,264	599,539
	=====	=====

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 July 2023

11 Creditors: Amounts falling due within one year	2023	2022
	£	£
Trade creditors	450,643	361,421
Taxation and social security	182,766	165,199
Hire purchase	1,523	10,662
Other creditors	360,780	354,700
Deferred income	3,777,046	70,669
Accruals	62,908	42,112
	-----	-----
	4,835,666	1,004,763
	=====	=====

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

	Fee Income in advance
	£
Deferred income	
Balance at 1 August 2022	70,669
Income received and deferred in year	3,777,046
Release in year	(70,669)

Balance at 31 July 2023	3,777,046
	=====

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 2022 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

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 July 2023

12 Pension commitments (continued)

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 2021-22.

The total pension cost for teaching staff for the period was £970,852 (2022: £882,586) and has been charged to the Statement of Financial Activities. At 31 July 2023 contributions amounting to £118,689 (2022: £107,094) were payable and are included in creditors.

The pension cost for non-teaching staff for the year was £114,449 (2022: £97,017) and has been charged to the Statement of Financial Activities. Contributions of £19,258 (2022: £16,517) relating to the Group Personal Pension Scheme for July 2023 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 7% and 5 to 20% respectively throughout the year.

13 Related party transactions

Certain Directors and members of senior management 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 and members of senior management during the year were £28,715 (2022: £20,208) and no fees (2022: 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.

15 Analysis of net assets between funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Tangible fixed assets	7,739,793	-	7,739,793	8,003,187	-	8,003,187
Investments	-	2,037,410	2,037,410	-	1,997,990	1,997,990
Current assets	4,857,042	36,792	4,893,834	1,123,328	136,560	1,259,888
Current liabilities	(4,835,666)	-	(4,835,666)	(1,004,763)	-	(1,004,763)
	-----	-----	-----	-----	-----	-----
	7,761,169	2,074,202	9,835,371	8,121,752	2,134,550	10,256,302
	=====	=====	=====	=====	=====	=====

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

For the year ended 31 July 2023

16 Analysis of funds	Balance as at 1 August 2022 £	Received in the year £	Funds Expended £	Gains/ losses on Investment £	Transfers £	Balance as at 31 July 2023 £
Unrestricted funds	8,121,752	11,259,150	(11,758,849)	10,299	128,817	7,761,169
Restricted funds						
The Bursary Fund	2,045,692	83,173	(4,779)	(35,254)	(110,923)	1,977,909
MacAuley Travel Award	2,085	-	-	-	-	2,085
Clayton Art Award	964	-	-	-	-	964
St George's Futures Fund	23,273	300	-	-	-	23,573
Dorward Award for Spanish	200	-	(50)	-	-	150
Tate Award for French	50	-	-	-	-	50
Helen Mackie Prize Fund	135	-	-	-	-	135
Confucius Investment Fund	8,484	-	-	-	-	8,484
Music and Property Fund	27,667	723	(3,180)	-	-	25,210
Nursery	-	-	-	-	-	-
Partnership Fund						
Restricted Parent Donations	26,000	-	(358)	-	-	25,642
Boarding Fund	-	10,000	-	-	-	10,000
Uniform Exchange	-	17,894	-	-	(17,894)	-
	2,134,550	112,090	(8,367)	(35,254)	(128,817)	2,074,202
Total funds	10,256,302	11,371,240	(11,767,216)	(24,955)	-	9,835,371

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. Net investment income received during the year of £78,394 was used to fund bursaries. In addition an amount of £32,529 was used to fund bursaries in excess of 5% of gross fee income, meaning a total of £110,923 was transferred to unrestricted reserves during the year.

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. No awards were 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 £300 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.

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 July 2023

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 and music lessons and small donations totalling £723 were received.

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.

The Boarding Fund was set up during the year in order to benefit the boarders, and a donation of £10,000 was received in to the fund.

The Uniform Exchange Fund received funding from the Uniform Exchange to purchase specific equipment for the School. During the year the funding was transferred to unrestricted reserves to match the capital expenditure on playground equipment for the Junior School.

17 Commitments under hire purchase

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

	2023	2022
	£	£
Due in less than 1 year	1,523	9,139
Due between 2 and 5 years	-	1,523
	-----	-----
	1,523	10,662
	=====	=====

18 Capital commitments

There were no capital commitments at 31 July 2023.

19 Contingent liability

One of the school buildings contains Reinforced Autoclaved Aerated Concrete (RAAC) in the roof. We have been monitoring this for several years for signs of deterioration. The guidance on the inspection and management of RAAC, issued by the Institution of Structural Engineers, was updated in April 2023 and we then received updated advice from our structural engineers that remedial work would be required on the building within the next twelve months.

As at 31 July 2023, we have not confirmed the design or extent of the remedial work and are therefore unable to assess the financial impact of the work.