

Company No. SC025080
Charity No. SC005757

CARGILFIELD SCHOOL
(A Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 July 2020

CARGILFIELD SCHOOL

REPORT of the GOVERNORS and FINANCIAL STATEMENTS

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CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

The Governors have pleasure in presenting their annual report for the year ended 31 July 2020 under the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (“the Act”) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (“the Regulations”), together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company’s Articles of Association and the Charities SORP (FRS102).

REFERENCE & ADMINISTRATIVE INFORMATION

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

Directors and Governors

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

Governors

Mrs R Bucknall²
Mrs C Cook^{1,2} (Vice Chair)
Mrs S Hamilton
Mr R M Leckie¹(resigned 15 June 2020)
Ms E Logan³
Mr G C Macleod (resigned 17 January 2020)
Mr A McGregor³
Mr D Nisbet^{1,2} (Chair)
Mr B J Thomson¹ (appointed 2 March 2020)
Professor M Wood³
Mrs S E W Younger^{1,2}

Committee membership:

- ¹ Finance & General Purposes Committee
² Governance and Nominations Committee
³ Education and Welfare Committee

Biographies of each Governor may be found on the Cargilfield School website (www.cargilfield.com). In the 2019/20 year, the following Governors were also parents: Mr Leckie, Mr Thomson

Key Executives and Professional Advisers

Headmaster	- Mr Robert Taylor
Bursar	- Mr John Collins
Secretaries	- Chiene + Tait LLP, Chartered Accountants, 61 Dublin Street, Edinburgh, EH3 6NL
Auditor	- Azets Audit Services, Exchange Place 3, Semple Street, Edinburgh, EH3 8BL
Bankers	- The Royal Bank of Scotland PLC, 36 St Andrew Square, Edinburgh, EH2 2YB
Solicitors	- Dentons UK & Middle East LLP, Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EP
Investment Advisors	- CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

AIMS AND OBJECTIVES

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

Strategic Aim and Intended Effect

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

Entrance Policy of the School

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

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

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

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

Enduring objectives

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

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

This year, more than ever, the qualities of the School's management team, led by Rob Taylor (Headmaster since 2017) and John Collins (Bursar since 2017) were put to the test by the COVID crisis. While the initial onset of the virus in March led to a period of weekly meetings involving governors and senior staff, we were lucky to complete the Spring term on Friday March 20th ahead of the national lockdown. From then on, plans were created to introduce a period of remote learning. Staff and children were trained in the use of MS Teams. Computers and tablets were distributed to support those who did not have the necessary hardware at home and hard copies of teaching materials were delivered at the start of the new term. For younger children, this distribution continued throughout the term. The children of key workers were invited into school each day and were supervised in their remote learning alongside a series of onsite activities.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Further modifications were made to the timetable at half-term and Common Entrance exams were managed remotely at the start of June. Unfortunately, the continuing restrictions meant that children were unable to return onsite before the end of the school year, meaning that the Form 8 leavers' programme had to be conducted entirely online. Nonetheless, the term continued through to the published end of the year on Friday 3rd July.

While we would not have wished this situation upon ourselves, we felt that the entire School responded well to the new challenges of what turned out to be a whole term of remote learning. The staff team pulled together to ensure the ongoing development and welfare of the children. Plans were made for the return to site in August and these continued throughout the Summer holiday.

In the 2019/20 academic year, pupil numbers were slightly down on last year although still at a healthy level with numbers rising to 308 by the start of the Summer Term, with 38 children in the Nursery, 84 in the 5-8 Pre-Prep age group and 186 in the 8-13 Upper School. Flexible boarding arrangements remained a key part of the character of Cargilfield in the first two terms, with about 50 children resident for all or part of the week. The advantages of a boarding culture are apparent in the offering of evening clubs and academic extras and the vibrancy of full weekend activities such as year-group leadership skills and outward-bound camps. Such flexible arrangements offer a critical first introduction to boarding, allowing parents and their children to consider a full range of subsequent senior school options. This year we stopped the provision of occasional boarding as this tended to undermine the settling routines of boarding but we did offer taster nights for younger children to try boarding with their own year group. These were used but not perhaps as extensively as expected: perhaps confirming that many parents are reluctant to encourage their children towards boarding too young.

The pastoral care of our children is essential to Cargilfield's values and its success. This exists within the framework of a family-run environment which is both a school and a second home to many children. We have continued a programme of training staff in managing the welfare and mental health issues facing our children. This process is underpinned by staff who are trained in mental health first aid, our School Nurse and a school counsellor, who is available to support both children and their families. Our senior children have undertaken a revised course of instruction and discussion in Personal, Health and Social Education, working more informally in small groups on Wednesday evenings: something that has now become an established part of our routine. A group of senior children also undertook training as anti-bullying ambassadors.

The School Nursery was last inspected by the Care Inspectorate in March 2017, and was awarded 'Very Good' in both of the categories examined: quality of care and support; and quality of management and leadership. To conclude, the report stated that 'The staff had high expectations for all children, resulting in confident, motivated, successful learners.' We expect another inspection soon. The last year saw us continue with a successful Beach Nursery programme, whereby, topics such as sustainability, environmental awareness and positive action are introduced through experiential learning outdoors in a natural setting.

The Nursery underwent a refurbishment at the beginning of the academic year. New wooden flooring, tables and furniture was purchased and display boards were mounted with natural hessian. The purchase of new furnishings allowed us to evaluate and improve our daily practice and the children's independent experiences. The Nursery remote learning programme received fantastic feedback from parents and was considered a huge success. Participation was not mandatory; however, the vast majority of children took a very active part.

The Pre-Prep department celebrated its 40th anniversary this year and this was marked in September with a 40th birthday party to which former parents, children and teachers were invited. The children gave a performance to reflect on what was happening forty years ago and tours of the recently refurbished building were given.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

With an average of 16 pupils per class across the School, class sizes remained appropriate to the Cargilfield approach. In Form 8, 37 children sat 13+ Scholarship or Common Entrance, with all gaining entry into their chosen senior schools. In addition, 11 children in Form 8 who were young enough to remain at Cargilfield for another year, also took Common Entrance examinations which were marked internally. 20 scholarships were won by the leaving cohort - and these included 8 academic awards with a King's Scholarship at Eton and an Oundle Academic Scholarship. We are proud of the School's strong record for awards over the last ten years but this year was up amongst the best.

The destination schools remain as diverse as the talents of the pupils themselves, and this year included Clifton College, Dollar Academy, Edinburgh Academy, Eton College, Fettes College, George Heriot's School, Glenalmond College, Kilgraston School, Loretto School, Merchiston Castle School, Oundle School, Rugby School, Shrewsbury School, and Uppingham School.

Other academic highlights for the year included our first exchange programme for staff and pupils with St Paul's school in Maryland, USA. We also held our third Book Festival (this one a remote and online project); a STEM Day for Pre-Prep and Upper School; a French trip for children in Form 7; success for Maths and Debating teams in Scottish National competitions; and our best performance yet in the Townsend Warner History competition for prep schools across Britain, including two results in the top 15 places.

The School continues to promote an all-round education in every way for each child. The music, art, design and technology departments provide an excellent outlet for the nurturing of specific talents, as well as offering cross-curricular opportunities into the main academic syllabus. Art continues to be a strength at Cargilfield and a popular activity that runs throughout the day with break-time and evening clubs. It was striking that this continued within lockdown, where weekly films and classes encouraged the children to find lateral ways of communicating their artwork with a particular focus on recycling and sustainability and an exploration of elements of art history.

In Music, we have enthusiastic junior and senior choirs that perform every week in chapel and we were especially pleased this year with two concerts at St Cuthbert's Cathedral in Edinburgh: one created alongside a number of readers on the theme of 'Freedom' and another in a joint performance with the Durham Choristers' School. This year, we enjoyed one of our best musical cohorts and the standard of the orchestra was as good as we can remember. Likewise, we enjoyed our best pipe band for many years and, as a result, they played at the Scottish Schools Championships (despite being much younger than any other band).

Music in remote learning was outstanding with almost all children continuing their individual lessons and with weekly concerts recorded for the whole community. These led to a series of former pupil concerts as well as some inventive collaborations of music groups playing from home. The teaching of music theory continues to be popular at Cargilfield with about a third of children in the Upper School working towards external exams.

We are proud that most children took part in a drama production during the year, be it school or year group plays (including a remote performance for Form 8 which was crafted from individual recordings). Some children took this further with opportunities through the Drama Club productions, while a group of Form 7 and 8 children auditioned and were selected for a joint production at the Edinburgh Fringe Festival with a handful of English schools under the banner of the Aquila Theatre Group: sadly, this wasn't able to proceed due to the cancellation of the Edinburgh festivals. Debating is now a key part of the curriculum for children in the Upper School. We have hosted the Scottish Prep Schools Debating Competition for the last four years (winning the main competition this year), and fielded teams in other Scottish competitions where we are often the only junior school competing.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Sport and outward-bound activities remain core to Cargilfield's distinctive offering. Games are played every afternoon and allow a mix of activities for girls and boys. While sport can be a life-long passion for some, making it fun for all has to be at the heart of any prep school. The 2019/20 year was another successful one on the games field (even though it was cut short) with all four of our boys and girls Under 11 and Under 13 hockey teams qualifying for the IAPS National Hockey Finals (the first time in the School's history). Both Under 13 teams made it through to the latter stages with the girls reaching the quarter finals and the boys finishing 3rd. We have again hosted rugby and hockey 7s tournaments for under 11 boys and girls and both Under 13 teams won the equivalent tournaments at Loretto in October. A number of boys and girls were successful in winning all-rounder and sports scholarships to their senior schools while others represented Scottish prep school, regional and national teams in a variety of sports.

Our new astroturf facilities were completed with the extension of artificial cricket nets which are now an impressive facility for both boys' and girls' cricket. While the loss of the cricket season made it more difficult for us to further extend girls' cricket, this remains a goal going forward. These new facilities also allowed us to extend the number of holiday hockey and tennis camps for Cargilfield and other local children during the Christmas and Autumn holidays.

The School makes good use of its opportunities in the Scottish countryside. All children in the Upper School have the option to take part in camping trips through the year – and we have developed many intrepid Munro-baggers, canoeists, cyclists and climbers. In Form 7, the whole year group visit the Burn Estate in Kincardineshire for a two-day Geography and Science Field trip. While these opportunities were more limited this summer, teams took part in competitions at St Mary's Melrose and the inaugural 1847 Challenge at Glenalmond last September.

The development of chess – now a curriculum subject for Form 4 – and the Eco Club have continued this year while we continue to use recommendations from the School Council and Boarders' Council to hone the range of evening clubs we offer for both boarders and day children. We are hopeful that a relaxation of COVID rules will soon allow us to return to this full pattern of activities from 8am to 8pm.

In addition to the regular programme of lectures from visiting speakers, we have re-instituted the Reynolds Lecture. The first annual lecture was given by The Lord Campbell of Pittenweem, who was interviewed for the School by the Headmaster and for parents and visitors by Fiona Henderson. When we are allowed to do so, this will become an annual event to which we will also invite our neighbours in Cramond and Barnton.

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

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

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

In IT, a series of new initiatives continue to improve the base infrastructure and allow the expansion of technology into teaching and learning. Building on the significant upgrade to broadband capacity completed previously, the servers, Wi-Fi and support systems continue to be improved. Staff are continuing to evaluate the greater integration of iPads and smart boards into curriculum delivery, and the Education Committee continues to work alongside the Senior Management Team to scope out the best strategies for training and development. We have introduced a new Management Information System that is being used much more widely by staff than the previous system – with reporting, daily notes, pastoral records and general pupil records (amongst other things). The School's finance operations have now also transferred to the new system. These are also our first significant applications to be hosted in the cloud rather than locally hosted on School servers and it is expected that other applications will follow in the future.

Most significantly for staff, parents and pupils was the use of Microsoft Teams as the main vehicle for teaching in the Summer Term. The School - led by Deputy Head, Ross Murdoch – made sure that all staff and pupils were able to access online learning. This included training for all involved as well as making school hardware available to those who required it and a significant effort in delivering learning materials and monitoring progress and welfare remotely. This aspect of teaching and communication is being further reviewed to improve our performance should it be required in the future.

From a marketing and communication standpoint, we have re-visited our promotional material and used updated images to produce a new advertising campaign. We continue in our efforts to communicate more effectively with former pupils, implementing a new database to make this much more efficient. A small working party including staff, governors and former pupils is now exploring how to develop this community further with a view to celebrating the School's 150th anniversary in 2023.

A significant venture for this year was a project to mark the School's evacuation to Lawers House in Perthshire from 1939-46. We attempted to communicate with all surviving former pupils from this period and received some lovely replies from a good number of old boys. The project culminated in a Performing Arts production inspired by accounts of life at Lawers which was watched by John Gunn, a former pupil of Cargilfield at Lawers, who travelled up from London to visit the School and mark the occasion.

The Governors have continued to review their approach to the oversight of the School. In terms of training and the assimilation of best practice, the Governors have continued to attend a series of INSET training activities throughout the year including a presentation by Mungo Dunnett on the current state of independent education. Most pressing within this year has been the reaction to the COVID crisis and the governors have supported the School through regular meetings with the School's management team as well as extraordinary meetings to review matters such as fee rebates and staff furlough schemes.

The Education and Welfare Committee continued its work in guiding developments in pastoral care, especially with a view to counselling and children's mental health. They have also looked at curriculum matters with a particular focus on supporting the development of Curriculum Leaders and building a regular culture of improvement planning. They have helped the re-design of a new and more thorough system for appraisal of teaching staff. The Safeguarding Committee of governors has now established precise reporting criteria so that potential issues can be monitored most effectively.

CHARITABLE ACTIVITIES

Cargilfield is proud of its position in the community. Cargilfield buildings and grounds are available to hire for a wide range of activities and events. Within the community the Pipe Band plays regularly in the local area; the Chapel Choir visits nearby nursing homes, as do other groups of children and Cargilfield continues to maintain its very close links with Cramond Kirk. The Sports Hall is used regularly by various groups in the Edinburgh area for badminton, cricket, fencing, football and hockey in particular. Cramond Primary School uses the facilities at the School throughout the course of the year, including holding its annual sports day at Cargilfield. The Cargilfield Activity Week during the summer is open not only to Cargilfield children, but also to others in the Edinburgh area. Similar holiday coaching camps for football, fencing, tennis, hockey and Young Engineers are also hosted. The annual Christmas Fair is open to the public and continues to be very popular. We look very favourably on all applications from outside Cargilfield to use Cargilfield grounds and facilities. Some of the groups which use Cargilfield do so free of charge. In other cases, there is a very low hourly-rate.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

CHARITABLE ACTIVITIES (continued)

Sadly, all of these activities were put on hold from March 2020 due to COVID restrictions and we are currently exploring how we can bring visiting groups back on site later in the year. The impact upon our charitable fund-raising was, therefore, significant. The two main fund-raising activities - The Pentland Round (a sponsored walk through the local hills enjoyed by all members of the community) and the Summer Fair – had to be cancelled.

The Macmillan Coffee Morning and the Christmas Fair did go ahead along with other bakes sales for projects nominated by the children. Over £550 was raised from Chapel collections for the Almond Mains Initiative (a local charity supporting the elderly in the community). There was also a collection of food for the Fresh Start Charity. Over £100 was also raised from a public performance of the pipe band on the front at Cramond.

The three main charities selected by the Upper School and Pre Prep children and the Friends of Cargilfield for 2019/20 were Super Troop (organising holidays for children and young people with disabilities); Penumbra (a Scottish Mental Health Charity) and Dogs for Good (involved in providing assistance dogs for those in need). Given that the funds raised last year were down on what we would normally expect, we plan to stick with largely the same charities for the 2020/21 year. In spite of the restrictions this year, children and parents still raised in excess of £2,200 for the School's charity partners.

BURSARY AWARDS

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

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

The total number of means tested bursaries awarded was 13 (2019: 14), with an annual value of £170,668 (2019: £178,028). Two pupils received 100% bursaries during the year (2019: 3) and a further six pupils received bursaries of 90% or above (2019: 3). The School continues its ongoing support for this purpose, and the value of the designated Bursary Fund at 31 July 2020 was £1,039,110 (2019: £1,019,583).

The School continued its principal activities throughout the current year as described in the Aims and Objectives and Review of Achievements and Performance sections of the Governors' Report (pages 2-6).

BURSARY AWARDS (continued)

Key performance indicators

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

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

FINANCIAL REVIEW

The financial position of the School was inevitably impacted by the COVID 19 pandemic. While our financial reserves and strong results in the first two terms of the academic year gave us a resilient foundation from which to meet this extremely challenging time, overall income declined. As reported in the Statement of Financial Activities, fees receivable fell by 8% from £3,653,197 to £3,362,753. This reduction predominantly reflected (i) the absence of income from boarding and clubs during the Summer term; (ii) the overall reduction in fees made to help all parents during this time and (iii) additional hardship funding that we granted to assist those in the Cargilfield community most affected by the pandemic.

The Senior Management Team worked hard with all the staff to mitigate this loss of income through active adjustments to the cost base. Moreover, as detailed further below, the School thanks those parents who were kind enough to donate the offered fee discount back to Cargilfield. Such generosity is a tribute to the parental body and enabled our bursary funding to continue through this difficult time.

Overall, the statements show that the school recorded a surplus of £96,107 for the year. This is a significant reduction from 2019 (£402,484) and the Governors anticipate that all of this surplus and more, will likely be required to navigate the ongoing COVID-related disruption expected in 2020/21. The School's underlying financial resources will again be important through this period and are detailed in the next section.

Investments in fixed assets totalled £227,361 (2019: £882,422), being the Pre-Prep refurbishment, construction of new synthetic cricket pitch and expenditure on computer equipment including a new server. All the investment was funded out of the School's cash reserves.

Financial position at 31 July 2020

General unrestricted funds

General unrestricted funds represent the funds arising from past operating results. The general unrestricted funds are presently £9,387,437 (2019: £9,313,187). The Governors consider that the School should maintain liquid resources equivalent to around six months of cash expenditure. The available realisable assets (i.e. the net current assets) shown on the balance sheet at 31 July 2020 are £2,131,224 (2019: £1,979,842) which represents approximately 7.3 months of cash expenditure.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

FINANCIAL REVIEW (continued)

Financial position at 31 July 2020 (continued)

During the year the School received £3,506 (2019: £36,392) in donations and legacies. In addition, a number of parents chose to forego the fee discounts that were applied to school fees during the summer term lockdown. The value of these additional donations was £25,092 (2019: £Nil). The Board is very grateful for these kind contributions to the future of Cargilfield and generally directs such funds towards educational resources, hardship grants or the fabric of the School. The Governors welcome such offers and are happy to discuss how donations may be applied to further the enduring objectives of educational excellence and a commitment to public benefit.

In addition to bursary funding, the School provided hardship funding of £35,453 (2019: £Nil) to parents whose financial circumstances had been severely impacted by COVID 19.

Designated Funds

Bursary fund

The designated reserve represents funds raised in the past and assets introduced at inception within the objects of the charity. The designated reserve was renamed the Bursary Fund in 2006. The Governors have designated these funds to fund future bursaries. The fund value has increased slightly to £1,039,110 (2019: £1,019,583). During the year, the Governors decided to transfer £170,667 to the designated Bursary Fund from general unrestricted funds, thus offsetting the cost of bursaries awarded. The movements on these reserves are shown in note 11.

Friends of Cargilfield

During the period the Charity received funds of £2,360 (2019: £4,926) on behalf of the Friends of Cargilfield, an informal group of parents with the goal of maintaining active social and charitable activities amongst the parent body. This group has a committee which is independent of the Charity's Board of Governors and maintains its own accounts and banking arrangements separate from the School. All the funds held in the current period and previous year was spent, under the Friends of Cargilfield's instructions, leaving no funds held at the end of the accounting periods.

Restricted funds

Nursery Partnership Fund

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £51,541 was received and expended during the year (2019: £63,487).

Investment Policy and Objectives

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

The value of the investment portfolio increased by 1.9% during the year, which was significantly ahead of the change in the FTSE100 Index. The Board reviews its investment policy and manager regularly, and this year, after a stringent review of costs and performance, elected to move the monies to the Ethical Fund of CCLA (Churches, Charities and Local Authorities) Investment Management. The Board believes the associated investment objectives are well aligned with an educational institution supporting the development of the next generation.

Principal risks and uncertainties

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

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

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

Governance and Management

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

Operational

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

Property and Finance

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

Education

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

Risk Management

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

The Coronavirus Pandemic poses potential significant risks to the School, principally financial, maintenance of service delivery and the health of pupils and employees. The Governing Body considers these risks are adequately mitigated through the following circumstances and measures:

- Active review and management of the School's cost base and revenue stream against a background of prudent financial reserves;
- The significant majority of our income is from School fees and the School opened as usual at the beginning of the current academic year and consequently we are able to maintain cash flow;
- We are able to maintain most aspects of service provision through adjustments to practise and adherence to physical distancing; and
- Pupils and employees are following the Government's advice regarding preventative measures, we use PPE appropriately, and have due regard to signs and symptoms of the disease and react accordingly.

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

FUTURE PLANS

Our future plans reflect our commitment to an excellent all-round education for pupils within a flexible boarding and day environment, delivered by a professional and motivated staff. In the short term, these will be driven by the ongoing demands of the COVID crisis and will include the lessons learnt from this experience as well as exploring the best ways of returning to our normal routines within government guidelines.

Learning

We feel that we offered the very best remote learning during lockdown and we are determined to make sure that this continues whatever the circumstances of the new academic year. We will review the successes and challenges of remote learning and will create a policy to prepare our families and staff for possible scenarios of remote or blended learning. We plan to implement a targeted reading scheme for children as the first part of plans to further develop our library. We also plan to extend the language experience for our Form 8 leavers.

Breadth of Experience

This is one of the greatest strengths of a Cargilfield education and will, inevitably, be restricted in the initial return to school. We will explore how we manage a full programme of sport and include opportunities for competitive matches both within the school and against other schools. Music and theatrical opportunities will be limited and yet we will explore how to achieve live music lessons and ensemble opportunities in a safe fashion. Building on the experience of last term, we will create other performance opportunities through our remote platforms. Restoring a full range of extra-curricular clubs and wider boarding opportunities will be a priority for the year.

Welfare

Despite the obvious excitement amongst all of the school community to return on site, we realise the challenges of the last six months for a number of our families will require increased vigilance and will test our pastoral structures. The changes to the school routine will require a different approach to boarding and we will adapt our evening routines to achieve this. We plan to support boarding at Cargilfield by developing the common room facilities to create a more pleasant and practical environment.

Outcomes

While we are proud of the successful outcomes achieved by children leaving Cargilfield, the events of the last twelve months have reminded us that a Cargilfield education must play its part in a more equal society and we will be exploring that with particular reference to race and gender.

Staff Development

With all of the challenges facing the staff over the last six months and going forward, we are delighted with how they have responded with energy and imagination to fresh challenges. Supporting their welfare will be a particular emphasis for the management team this year, including maintaining childcare support at key times and purchasing new hardware to support different working patterns. We will, however, also begin to implement the new two-stage appraisal process.

Communication and Recruitment

With a school site that cannot welcome parents or visitors in the same way that it has previously, the need to communicate effectively with our community will become all the more important. We will continue to prepare for our 150th anniversary in 2023, by completing our database of former pupils and will adapt the visits of prospective parents to times when children and staff are not on site. We have exciting plans for further marketing the school to a wider community which will include offering more bursary opportunities to families who would not, otherwise, be able to access a Cargilfield education.

Finance, Infrastructure and Administration

This has been an area of significant development over the last few years. Building upon the platform of a new school-wide management information system that was implemented at the start of the academic year, we will integrate finance and communication systems which will improve our interface with the parent body and allow us to become more efficient and responsive in our back-office processes.

Facilities and Environment

While we are proud of the extent of our facilities and the lovely environment in which we live and work, there will be further improvements to the physical infrastructure of the School. These will include improvements to the boarding area, the Nursery garden and other outdoor learning spaces.

Despite the challenges that we expect the next year to hold, we are excited about the strong position from which we are approaching these.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

While the School is confident in its current procedures, ensuring the integration of the latest developments and requirements in Child Protection and Welfare remains a priority and we will continue to review our provision of PSHE teaching and structures for pastoral support. The embedding of a more professional approach to human resources will continue, and forms a critical part of ensuring that our excellent staff have the right opportunities for training and development. The School is refining its approaches to business continuity and emergency response, and this will continue into 2021.

Governing Document

The Company is governed by its Articles of Association.

Governing Body and Organisational Management

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

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

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

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

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

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

Recruitment and Training of Governors

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

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

Auditor

The appointed Auditor, Scott-Moncrieff, tendered their resignation during 2019 and were replaced by Azets Audit Services. Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for re-appointment at the Annual General Meeting.

Statement of Governors' Responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- observe the methods and principles in the Charities SORP;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CARGILFIELD SCHOOL

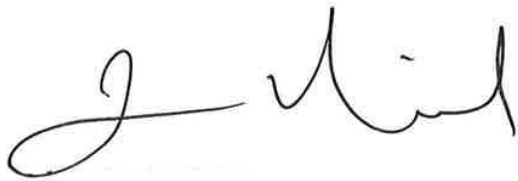
REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2020

Disclosure of information to the auditor

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

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

The Governors' Report and Strategic Report were approved by the Board of Governors at its meeting on 16 November 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D Nisbet', written in a cursive style.

Mr D Nisbet
Chair

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

Opinion

We have audited the financial statements of Cargilfield School for the year ended 31 July 2020 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (incorporating the Strategic Report).

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

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

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement set out on page 13, the Governors (who are the directors for the purposes of company law and Trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS AND MEMBERS OF

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

Use of our report

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

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



Michael Harkness, Senior Statutory Auditor

For and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

16 November 2020

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

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 July 2020

	Note	Restricted Funds £	Designated Funds £	Un- Restricted Funds £	Total 2020 £	Restricted Fund £	Designated Funds £	Un- Restricted Funds £	Total 2019 £
Income and endowments									
Donations and legacies		-	2,360	1,146	3,506	-	4,926	31,466	36,392
Charitable activities									
School fees receivable	2	51,541	-	3,311,212	3,362,753	63,487	-	3,589,710	3,653,197
Other ancillary trading income	3	-	-	393,526	393,526	-	-	520,130	520,130
Other trading activities		-	-	8,630	8,630	-	-	16,895	16,895
Other income		-	-	100,238	100,238	-	-	-	-
Investments		-	2,906	12,483	15,389	-	15,007	10,515	25,522
Total income		51,541	5,266	3,827,235	3,884,042	63,487	19,933	4,168,716	4,252,136
Expenditure									
Raising funds	5	-	1,345	3,185	4,530	-	11,308	11,461	22,769
Charitable activities	5	51,541	170,698	3,579,133	3,801,372	63,487	179,023	3,571,896	3,814,406
Total expenditure		51,541	172,043	3,582,318	3,805,902	63,487	190,331	3,583,357	3,837,175
Net (loss)/gains on investments		-	17,967	-	17,967	-	(12,477)	-	(12,477)
Net (expenditure)/income		-	(148,810)	244,917	96,107	-	(182,875)	585,359	402,484
Transfer between funds	11	-	170,667	(170,667)	-	-	178,030	(178,030)	-
Net movement in funds		-	21,857	74,250	96,107	-	(4,845)	407,329	402,484
Reconciliation of funds:									
Total funds brought forward	11	-	1,023,514	9,313,187	10,336,701	-	1,028,359	8,905,858	9,934,217
Total funds carried forward	11	-	1,045,371	9,387,437	10,432,808	-	1,023,514	9,313,187	10,336,701

All income resources are derived from continuing activities.

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

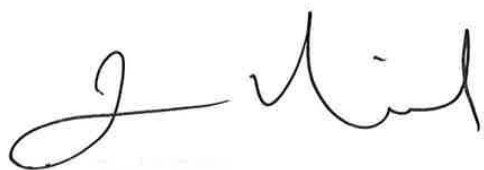
CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

BALANCE SHEET

As at 31 July 2020

	Notes	£	31 July 2020 £	31 July 2019 £
Fixed assets				
Tangible assets	6		7,262,474	7,337,276
Investments	7		1,039,110	1,019,583
			-----	-----
			8,301,584	8,356,859
Current assets				
Debtors	8	146,619		218,886
Cash at bank and in hand		2,368,806		2,266,483
			-----	-----
		2,515,425		2,485,369
			-----	-----
Creditors: amounts falling due within one year				
	9	384,201		505,527
			-----	-----
Net current assets			2,131,224	1,979,842
			-----	-----
Net assets			10,432,808	10,336,701
			=====	=====
Funds				
General unrestricted funds	11		9,387,437	9,313,187
Designated funds	11		1,045,371	1,023,514
Restricted funds	11		-	-
			-----	-----
			10,432,808	10,336,701
			=====	=====

These financial statements were approved by the Board of Governors and authorised for issue on 16 November 2020 and are signed on its behalf by:



.....
Chair

Mr D Nisbet



.....
Vice Chair

Mrs C Cook

Company No. SC025080

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

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

STATEMENT of CASH FLOW

For the year ended 31 July 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	1a	315,855	664,459
Cash flows from investing activities			
Dividends, interest and rents from investments		2,906	15,007
Interest received		12,483	10,515
Purchase of property, plant and equipment		(227,361)	(882,422)
Proceeds from sale of investments		978,602	119,689
Purchase of investments		(990,050)	(144,867)
Net cash used in investing activities		(223,420)	(882,078)
Change in cash and cash equivalents in the year		92,435	(217,619)
Cash and cash equivalents at the beginning of the year		2,276,371	2,493,990
Cash and cash equivalents at the end of the year		2,368,806	2,276,371
Analysis of cash and cash equivalents			
Cash in bank		2,368,806	2,266,483
Cash held by investment managers		-	9,888
		2,368,806	2,276,371
Note 1a Reconciliation of net incoming resources to net cash inflow from ordinary activities			
		2020 £	2019 £
Net income for the year		96,107	402,484
Adjustments for:			
Depreciation charges		302,163	257,228
(Gains)/loss on investments		(17,967)	12,477
Income from investments		(2,906)	(15,007)
Interest received		(12,483)	(10,515)
Decrease/(increase) in debtors		72,267	(31,583)
(Decrease)/increase in creditors		(121,326)	49,375
Net cash inflow from ordinary activities		315,855	664,459

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

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

NOTES on the FINANCIAL STATEMENTS

For the year ended 31 July 2020

1. Accounting policies

General information

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

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

Basis of accounting

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

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

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

Significant judgements and estimation uncertainty

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

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

Useful economic lives of tangible assets

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

Going concern

The financial statements have been prepared on a going concern basis. The Governors have assessed the School's ability to continue as a going concern and have reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. This is based on the current financial position of the School and anticipated results for future periods. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements. This assessment includes the impact of COVID19 as mentioned in note 16.

Income

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

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

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

1. Accounting policies (continued)

Tuition fees and related income

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

Donations, legacies and similar income

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

Other ancillary trading income

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

Investment income

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

Expenditure

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

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

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

Irrecoverable VAT

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

Operating leases

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

Depreciation

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

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

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

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

1. Accounting policies (continued)

Pension costs

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

Taxation

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

Investments

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors

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

Financial instruments

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

Fund accounting

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

Designated funds are the funds set aside by the Governors out of the unrestricted general funds for specific future purposes and projects.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

1. Accounting policies (continued)

Fund accounting (continued)

The school has the following funds:

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

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

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

2. School fees	2020	2019
	£	£
The School's fee income comprised:		
Gross fees	4,258,046	4,312,206
<u>Less:</u> Means tested bursaries	(170,668)	(178,028)
Grants and discounts	(724,625)	(480,981)
	-----	-----
	3,362,753	3,653,197
	=====	=====

3. Other ancillary trading income	2020	2019
	£	£
Flexi-boarding	49,280	87,161
After school club	48,509	63,060
Clubs and activities	294,059	363,074
Other	1,678	6,835
	-----	-----
	393,526	520,130
	=====	=====

4. Staff costs	2020	2019
	£	£
Salaries and wages	2,038,322	2,010,382
Social security costs	183,489	175,558
Other pension costs	303,905	247,384
	-----	-----
	2,525,716	2,433,324
	=====	=====

The Governors received no remuneration (2019: £Nil) and three (2019: three) governors were reimbursed for expenses totalling £1,210 (2019: £1,032).

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

	2020	2019
	No.	No.
Teaching	45	44
Domestic	10	9
Maintenance	4	4
Office	11	10
	-----	-----
	70	67
	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

4. Staff costs (continued)

Key management personnel are considered to be the senior management team, comprising the Head, the assistant Head, the two Deputy Heads, the Director of Studies and the Bursar. Total remuneration paid to the key management personnel (including NI, benefits in kind and pension) amounted to £521,127 (2019: £475,178). In addition, members of key personnel are entitled to receive a discount on their children's school fees amounting to 85% (2019: 85%).

One employee earns remuneration in the band £100,000 - £110,000 (2019: one in the band £90,000 to £100,000) and had retirement benefits accruing under a defined benefit scheme of £21,998 (2019: £16,026). Two employees earned in the band £60,000 - £70,000 (2019: 1) and had benefits accruing under a defined contribution scheme totalling £20,335 (2019: £6,212). No other employee earns more than £60,000 per annum.

5. Expenditure	Staff costs	Other	Depreciation	2020 Total
	£	£	£	£
(a) Analysis of total resources expended - 2020				
Charitable activities				
School operating costs:				
Teaching costs	1,902,681	89,857	-	1,992,538
Welfare costs	164,029	232,779	-	396,808
Premises	117,993	326,038	231,137	675,168
Support and governance costs	341,013	324,819	71,026	736,858
	-----	-----	-----	-----
	2,525,716	973,493	302,163	3,801,372
	=====	=====	=====	=====
Raising funds				
Investment manager fees	-	1,345	-	1,345
Fundraising payments	-	3,185	-	3,185
	-----	-----	-----	-----
	2,525,716	978,023	302,163	3,805,902
	=====	=====	=====	=====

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

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

5. Expenditure (continued)

(b) Support and governance costs	2020	2019
	£	£
Support costs		
Salary costs	341,013	328,707
Motor and transport	40,632	51,265
Administration costs	53,030	92,840
Computer maintenance	57,828	45,596
Legal and professional fees	31,659	28,359
Clubs and activities	124,087	196,575
Bad debts	3,934	13
Depreciation	71,026	57,342
	-----	-----
	723,209	800,697
	-----	-----
Governance costs		
Auditor's remuneration	7,354	7,533
Governors' expenses	1,210	1,460
Inspection	5,085	5,085
	-----	-----
	13,649	14,078
	-----	-----
Total	736,858	814,775
	=====	=====

6. Fixed assets - tangible assets	Freehold land and buildings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 31 July 2019	9,630,509	734,028	315,644	107,917	10,788,098
Additions	131,945	31,762	63,654	-	227,361
Disposals	-	-	-	(62,409)	(62,409)
	-----	-----	-----	-----	-----
At 31 July 2020	9,762,454	765,790	379,298	45,508	10,953,050
	-----	-----	-----	-----	-----
Depreciation					
At 31 July 2019	2,477,741	629,023	236,141	107,917	3,450,822
Provided for the period	231,137	17,901	53,125	-	302,163
Disposals	-	-	-	(62,409)	(62,409)
	-----	-----	-----	-----	-----
At 31 July 2020	2,708,878	646,924	289,266	45,508	3,690,576
	-----	-----	-----	-----	-----
Net book value at 31 July 2020	7,053,576	118,866	90,032	-	7,262,474
	=====	=====	=====	=====	=====
Net book value at 31 July 2019	7,152,768	105,005	79,503	-	7,337,276
	=====	=====	=====	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

7. Fixed assets – investments	2020	2019
	£	£
Quoted investments	1,039,110	1,009,695
Cash held as part of portfolio	-	9,888
	-----	-----
	1,039,110	1,019,583
	=====	=====
Quoted investments		
Cost at 31 July 2019	862,105	847,238
Net unrealised gain	147,590	149,756
	-----	-----
Market value at 31 July 2019	1,009,695	996,994
Purchases at cost	990,050	144,867
Disposals at opening market value	(1,009,695)	(128,099)
Net unrealised (loss)/gain	49,060	(4,067)
	-----	-----
Market value at 31 July 2020	1,039,110	1,009,695
	=====	=====
Cost at 31 July 2020	990,050	862,105
	=====	=====
Net unrealised gain included above on investment assets	49,060	147,590
	=====	=====
Reconciliation of movements in unrealised losses on investment assets		
Net unrealised gains at 31 July 2019	147,590	149,756
Movement in respect of disposals in period	(147,590)	1,901
	-----	-----
Net (loss)/gain arising on revaluation in period	49,060	151,657
	-----	-----
Unrealised gain at 31 July 2020	49,060	147,590
	=====	=====

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

8. Debtors	2020	2019
	£	£
Debtors	74,628	134,625
Prepayments and accrued income	71,991	84,261
	-----	-----
	146,619	218,886
	=====	=====
9. Creditors: amounts falling due within one year	2020	2019
	£	£
Other tax and social security	54,073	52,781
Other creditors	193,367	219,488
Fees paid in advance	49,346	67,677
Accruals	87,415	165,581
	-----	-----
	384,201	505,527
	=====	=====

CARGILFIELD SCHOOL
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NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

10. Financial instruments **2020**
£ **2019**
£

Financial assets at fair value through profit or loss:
Investments in equity instruments 1,039,110 1,009,695
===== =====

11. Analysis of net assets among funds – 2020	Restricted funds	Designated funds	General un-restricted Funds	Total
	£	£	£	£
Balance at 31 July 2019	-	1,023,514	9,313,187	10,336,701
Incoming resources	51,541	5,266	3,827,235	3,884,042
Outgoing resources	(51,541)	(172,043)	(3,582,318)	(3,805,902)
	-----	-----	-----	-----
Net incoming/(outgoing)resources before transfers and investment gains	-	(166,777)	244,917	78,140
Investment loss (realised and unrealised)	-	17,967	-	17,967
Transfer between funds	-	170,667	(170,667)	-
	-----	-----	-----	-----
Balance at 31 July 2020	-	1,045,371	9,387,437	10,432,808
	=====	=====	=====	=====
Represented by:				
Tangible fixed assets	-	-	7,262,474	7,262,474
Fixed asset investments	-	1,039,110	-	1,039,110
Net current assets	-	6,261	2,124,963	2,131,224
	-----	-----	-----	-----
Total net assets	-	1,045,371	9,387,437	10,432,808
	=====	=====	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2019

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

Designated funds

Bursary fund

The fund is to be used to provide means tested bursaries. The fund will also generate income to assist in funding such bursaries. During the period the fund generated income of £2,906 (2019: £15,007) and funded bursaries amounting to a cost of £170,698 (2019: £178,028). The Trustees decided during the period to make a transfer of £170,667 (2019: £178,030) from the general unrestricted funds to the designated bursary fund. The remaining fund balance at 31 July 2020 was £1,039,110 (2019: £1,019,583).

Friends of Cargilfield

During the year, the Friends of Cargilfield raise funds for the school which are treated as designated funds. During the year income of £2,360 (2019: £4,926) was received and £30 (2019: £995) was expended. The remaining fund balance at 31 July 2020 was £6,261 (2019: £3,931).

Restricted funds

Nursery Partnership Fund

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £51,541 (2019: £63,487) was received and expended during the year.

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

12. Pension commitments

- (a) Cargilfield School participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation set contribution rates from 1 September 2019 at 23%.
- (b) Cargilfield School has no liability for other employers' obligations to the multi-employer scheme.
- (c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.
- (d) (i) The scheme is an unfunded multi-employer defined benefit scheme.
(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Cargilfield School is unable to identify its share of the underlying assets and liabilities of the scheme.
(iii) The employer contribution rate from 1 April 2015 was 14.9% of pensionable pay and increased to 17.2% from 1 September 2015. The employer contribution rate increased to 23% on 1 September 2019. While the employee rate applied is a variable it will provide an actuarial yield of 9.6% of pensionable pay.
(iv) At the last valuation a shortfall of £1.3 billion was identified in the notional fund which will be repaid by a supplementary rate of 4.5% of employer's pension contributions for fifteen years from 1 April 2015. This contribution is included in the 17.2% employer's contribution rate.
(v) Cargilfield School's level of participation in the scheme is 0.054% based on the proportion of employer contributions paid in 2016-17.

The total pension cost of this scheme for the period was £280,615 (2019: £231,482) and has been charged to the SOFA. At 31 July 2020 contributions amounting to £23,291 (2019: £18,397) were payable and are included in creditors.

Some non-teaching staff participate in a defined contribution scheme. The pension cost for the year amounted to £25,547 (2019: £15,902). At 31 July pension costs of £2,095 (2019: £1,994) were payable and included in creditors.

13. Related party transactions

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

14. Commitments under operating leases

At 31 July 2020, the total commitments payable under non-cancellable operating leases for equipment, falling due:

	2020	2019
	£	£
Within 1 year	32,395	49,436
Within 2 to 5 years	46,810	82,505
	-----	-----
	79,205	131,941
	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2020

15. Capital commitments

	2020	2019
	£	£
Contracted but not provided for	-	109,550
	=====	=====

16. Events after the balance sheet date

Since March 2020 the School has faced a new challenge relating to COVID19. The Governors are reviewing all aspects of the ongoing needs of the School. Whilst there was a short-term implication to income during the year the School is well placed to continue to provide ongoing education to its pupils. The School reopened at the start of the current academic year. The full impact of COVID19 on the School cannot yet be fully quantified. Due to the ongoing positive cash flow the Governors continues to adopt the going concern basis.