

Company No. SC025080
Charity No. SC005757

CARGILFIELD SCHOOL
(A Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 July 2021

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 2021**

The Governors have pleasure in presenting their annual report for the year ended 31 July 2021 under the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (“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 D W Henderson (appointed 21 June 2021)

Ms E Logan³

Mr A McGregor³

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

Lord M Sinclair (appointed 10 May 2021)

Mr B J Thomson¹

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 2020/21 year, the following Governors were also parents: Mr Henderson and Lord Sinclair

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 2021

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

For the second year in succession, the qualities of the school's management team, led by Rob Taylor (Headmaster since 2014) and John Collins (Bursar since 2017), were put to the test as the ongoing COVID crisis presented new challenges. While we have been frustrated by the events of the past twelve months, with the older children learning remotely from home for nearly the whole of the Spring Term (our younger children being allowed to return from after the February half-term) and the full range of normal activities, sports matches and musical or theatrical events being unable to happen, we felt that the whole School responded extremely well and that everyone pulled together to ensure the ongoing development and welfare of the children.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Our priority has been to maintain the best quality education for our children whatever the circumstances and we did our best to make sure that the children could spend as much time onsite as possible. This included starting both the school year and the Summer term a week early and running a multi sports activity camp for children (without extra charge) during the middle week of the Easter holidays.

Modifications to our normal working routines have included:

- Staggered starts and finishes to the day with different routines to allow parents to drive through the school and drop off or collect their children without having to get out of their cars and come onsite.
- Classes remaining largely in their own form rooms with staggered lunches and break times to limit the number of children moving round the School at any one time.
- Children operating in year group bubbles and teaching staff moving around different classrooms while basing themselves at work stations around the School.

Despite these limitations, we took every opportunity to extend the experience for the children as soon as guidelines and circumstances allowed. This brought back some sports matches, musical groups, imaginative modified drama performances and as many year group clubs and activities as we could manage.

While our prior year Form 8 leavers were not allowed onsite for the whole of their final term, we were delighted to create a reasonably full experience for the leavers of 2021. The children enjoyed the traditional week-long activity camp, the leavers' play, the much-loved leavers' dinner and reeling and to finish, prize giving services for all the children in the School. While parents could not come onsite to enjoy these events, we were able to stream them and provide text and photographs on our website and social media channels.

In the 2020/21 academic year, pupil numbers were slightly down on last year – following two large year groups of leavers and over 15 months in which we have not been able to invite prospective families onsite to visit the School. As a cosmopolitan school on the edge of a capital city, we welcome a good number of families moving into Edinburgh for the first time but this last year has restricted this movement from within the U.K. and especially from overseas.

While the School had 308 pupils at the end of the previous year, we started the Summer Term in 2021 with 285 pupils made up of 33 children in the Nursery (a number limited by temporary COVID restrictions required by Edinburgh Council), 83 in the 5-8 Pre-Prep age group and 169 in the 8-13 Upper School age group. We fully expect to see numbers rise back to around the 300 mark, which we feel is the right level for our unique family feel and attention and opportunity for every child.

COVID inevitably constrained the range and flexibility of our normal boarding offering. While the close-knit community of 25 boarders that could remain was enjoyed by children and staff alike, all look forward to the return of the vibrancy of regular Cargilfield evenings. We all want to get back to the full range of evening clubs and academic extras plus the option of flexi boarding and the fun 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.

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 children today. This process is underpinned by staff who are trained specifically in mental health first aid, our School Nurse and a school counsellor, who is available to support both children and their families. The shorter and more concentrated day that we were required to operate over the last year presented opportunities for more extended sessions of Personal, Social and Health Education at the start of the year and we were delighted to return to extended evening sessions for this learning and reflection in the Summer Term.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

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 limited in the range of activities (especially those offsite) that we would normally offer but the Nursery team worked extremely hard to maintain a dynamic and fulfilling experience for the children despite the restrictive standards for cleanliness required of them in the COVID context.

The Pre-Prep department managed the limitations of working in bubbles with real imagination and enthusiasm. We employed an extra team of graduate assistants who were exploring a career in teaching to assist the teaching staff with the complications of this year's challenges.

With an average of 16 pupils per class across the School, class sizes remained appropriate to the Cargilfield approach. In Form 8, 36 children sat 13+ Scholarship or Common Entrance, with all gaining entry into their chosen senior schools. 23 scholarships were won by the leaving cohort - and these included 6 academic awards with a Winchester Election, an Oundle Academic Scholarship and two Fettes Academic Scholarships within this group. We are proud of the School's strong record for awards over the last ten years but the last two years have brought a particularly wide range of successes for many of our pupils.

The destination schools remain as diverse as the talents of the pupils themselves, and this year included, in Edinburgh, George Heriot's School, Loretto School, Edinburgh Academy, Fettes College and Merchiston Castle School. Further afield in Scotland included Dollar Academy, Gordonstoun, Glenalmond College, Kilgraston School and Strathallan School and into England, Eton College, Harrow School, The King's School in Canterbury, Oundle School, Rugby School, St Mary's School in Calne, Uppingham School and Winchester College. At Cargilfield our children make a strong community with lifelong friends, but are happy and confident to go forth to whatever senior school suits them the best, as an individual. For some that will be local day schools, for others boarding at some of Britain's finest schools – near or far. The Headmaster and the whole school team are here to support children and their families understand and make these next-step decisions.

Other academic highlights for the year included our fourth Book Festival (an exciting mixture of live and remote events) and our best performance yet in the Townsend Warner History competition for prep schools across Britain, including three children on the first page of results and one candidate finishing fifth. This was one of the best years for debating at Cargilfield, with all senior children meeting every week to consider a range of topical and philosophical concepts. In addition, the School gained recognition in a national newspaper for having chess as part of its taught curriculum. In a year where the opportunity for external trips and competitions was more limited, these were especially notable.

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 extra clubs. It was striking that this was perhaps the most successful year for our senior artists in some time, with five children winning an Art scholarship to their senior school.

Music is a significant part of school life and so the fact that we have been unable to sing for the last fifteen months was greatly missed. Nonetheless, our musicians have been inventive and imaginative and a wide range of individual lessons and then, latterly, musical groups have been able to take place with regular concerts recorded and shared with the community. In such a difficult year, where preparing music examination candidates for sight reading and oral assessments was almost impossible, our practical music exam results were especially commendable. Teaching for music theory exams was able to continue online and last year saw a bumper year of results. Eight children passed grade five theory with the majority being awarded merits or distinctions.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Theatre and drama were initially much restricted but this led to some imaginative use of mime and of filmed rather than live productions. In the Summer term, Form 7 created their own short dramas which were filmed and shared with the community while the Form 8 play to close the year was a production of 'Treasure Island' which was filmed and performed live to pupil audiences.

While there were very few sports matches possible and those only from the latter part of the Summer Term, we are delighted that the programme of daily sports for children in Form 4 and above (plus lots of sporting opportunities for our younger children) has continued. More of these sessions have taken place within individual year groups to maintain the COVID bubbles. This provided a perhaps overdue incentive to break old habits, with much more mixed sport taking place. Girls' cricket really flourished as a result, with mixed teams fielded for some matches and a girl taking the captaincy of a unified under 11 team.

After nearly two terms of remote learning online, it was important that our children were given more opportunities for outdoor learning when they returned. In addition to the extra sports camp, all of our children took part in the traditional long walk in the Pentland Hills, albeit these took place across a whole series of days to satisfy COVID restrictions. There were also beach days for individual year groups on Yellowcraigs Beach in East Lothian, re-creating a school tradition that dated back to the early part of the 20th Century. Works are currently underway to develop an outdoor learning centre within the much-loved pavilion on the edge of the playing fields.

In summary, I am extremely grateful to the staff, parents, my fellow Governors of Cargilfield School and, most importantly, the pupils whose efforts allowed for such a successful year in such a difficult climate. We've stayed fit for learning and fit for play through an incredibly testing time and can't wait for the next chapter of school life to open – with vibrancy returned and perhaps some lessons learned and developed for the years ahead.

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. Over the years the School has fostered many ties with its local community. The Pipe Band has played regularly in the local area; the Chapel Choir has visited nearby nursing homes, as have other groups of children and Cargilfield continues to maintain its very close links with Cramond Kirk. As COVID restrictions gradually ease, we very much look forward to reinvigorating all of these links. The Sports Hall has been used regularly by various groups in the Edinburgh area for badminton, cricket, fencing, football and hockey in particular. We have been delighted to see these groups returning to Cargilfield as restrictions on their activities have started to be lifted. Cramond Primary School uses the facilities at the School, 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 and whilst we have been unable to run Activity Week for the last two years, we have been encouraged by the number of parents who have rolled their bookings over to 2022 and we very much look forward to welcoming their children back to Cargilfield next summer. Similar holiday coaching camps for football, fencing, tennis, hockey and Young Engineers are also hosted. The annual Christmas Fair was held as a virtual event in 2020 and we also expect it to return in its physical format in 2022. 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.

The impact of COVID restrictions upon our charitable fund-raising was once again significant and although for the second year in succession we were unable to hold our annual Summer fair, as noted in the previous section we were at least able to organise the Pentland Round sponsored walk, albeit parents and other member of the wider Cargilfield community were sadly unable to join us on the hills this year.

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021****CHARITABLE ACTIVITIES (continued)**

Given the relative limitation on fundraising activities in 2019/20, two of the three charities selected by the Upper School and Pre-Prep children and the Friends of Cargilfield for 2019/20 were retained for 2020/21. These were Super Troop (organising holidays for children and young people with disabilities) and Penumbra (a Scottish Mental Health Charity). These were joined by Canine Partners (involved in providing assistance dogs for those in need). Total funds raised by the School in 2020/21 to be distributed equally amongst the three charities amounted to £4,141.

In addition to the fundraising for the School's three nominated charities, other specific fundraising events during the year allowed the School to support the Poppy Appeal, Comic Relief, Place to Be and Superar, in Bosnia and Herzegovina. The latter organisation are setting up the first ever children's orchestra in Sarajevo and as the first step wished to start a violin class. The funds raised by Cargilfield's talented musicians during an all day 'violin-a-thon' (over £1,600) was sufficient to fund the purchase of all the violins needed by this new group.

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

The total number of means tested bursaries awarded was 15 (2020: 13), with an annual value of £136,842 (2020: £170,668). One pupil received a 100% bursary during the year (2020: 2) and a further two pupils received bursaries of 90% or above (2020: 6). The School continues its ongoing support for this purpose, and the value of the designated Bursary Fund at 31 July 2021 was £1,236,798 (2019: £1,039,110).

The School continued its principal activities throughout the current year as described in the Aims and Objectives and Review of Achievements and Performance sections of the Governors' Report (pages 2-5).

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

FINANCIAL REVIEW

The financial position of the School was impacted once again by the COVID 19 pandemic. While our financial reserves and strong results gave us a resilient foundation from which to meet this extremely challenging time, overall income remained below pre-pandemic levels. As reported in the Statement of Financial Activities, fees receivable remained approximately the same at £3,361,264 compared to £3,362,753 last year.

The Senior Management Team worked hard with all the staff to mitigate this loss of income through active adjustments to the cost base. Moreover, the School thanks those parents who were kind enough to decline the offer of a fee discount during our second period of remote learning in the Spring Term 2021. Such generosity is a tribute to the parental body and enabled our bursary funding to continue through this difficult time and also enabled us to provide support to a small number of families whose livelihoods had been severely impacted by the pandemic.

Overall, the statements show that the school recorded a deficit of £17,138 for the year. This is a significant reduction from a surplus of £96,107 in 2020 mainly due to the ongoing COVID-related disruption. 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 £113,077 (2020: £227,361), being the final payment for the astro pitch, tarmac resurfacing and expenditure on computer equipment and general fixtures and fittings. All the investment was funded out of the School's cash reserves.

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 position at 31 July 2021

General unrestricted funds

General unrestricted funds represent the funds arising from past operating results. The general unrestricted funds are presently £9,170,436 (2020: £9,387,437). 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 2021 are £2,106,101 (2020: £2,131,224) which represents approximately 7.0 months of cash expenditure.

CARGILFIELD SCHOOL**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021****FINANCIAL REVIEW (continued)****Financial position at 31 July 2021 (continued)**

During the year the School received £10,445 (2020: £3,506) in donations and legacies. 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 £57,760 (2020: £35,453) 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 £1,236,798 (2020: £1,039,110). During the year, the Governors decided to transfer £136,842 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 £2,665 (2020: £2,360) 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 a designated fund and the value of the fund at the year end was £8,436 (2020: £6,261).

Restricted funds**Nursery Partnership Fund**

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £75,925 was received and expended during the year (2020: £51,541).

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 19.0% during the year, which was significantly ahead of the change in the FTSE100 Index. The investments are managed by 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:

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

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.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

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 partly driven by the ongoing demands of the COVID crisis and will include the lessons learned from this experience as well as returning to our normal routines as quickly as government guidelines and good practice allow.

Learning

We feel that we offered the very best remote learning experience during lockdown and the subsequent period of gradual re-opening and while we are now expecting teaching and learning to continue in a more conventional format, we continue to review our remote and blended learning policy so that we can react to the needs of individuals or larger groups. A multi-year programme of investment in technology paid dividends through the crisis and we will continue to pursue this – while keeping a hold of the best of traditional teaching practice.

We plan to implement a curriculum review, making use of the expertise of our curriculum leaders. From this, we want to arrange a process of inspection whereby experienced professionals can help us to assess the effectiveness of both our current curriculum and the changes we hope to make. One specific area of focus might be an examination of our learning support provision. We also need to ensure that in this age of rapid and often conflicting information flow, our children are equipped with strong critical thinking skills – and an ability to cooperate and work together.

As part of this and contradictory to current trends as it may in some ways seem, we plan to make reading even more of a priority across the course of the next few years. This is likely to include a targeted reading scheme for children and the development of our library under the guidance of a part-time librarian.

Breadth of Experience

This is one of the greatest strengths of a Cargilfield education and has, sadly, been restricted over the last year and a half. Restoring a full range of extra-curricular clubs and wider boarding opportunities will be a priority for the year and, in doing so, we may adjust the routines of the pre-COVID day and the nature of our club provision to learn from recent experiences and benefit from the thoughts of our wider community.

Welfare

We are changing our evening routine to explore more dynamic opportunities within the boarding routine. We plan to support boarding at Cargilfield by developing the common room and dormitory 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 few years have reminded us that a Cargilfield education must play its part in a more equal society and we will continue to explore ways in which we can do this with particular reference to race and gender.

With opportunities to visit senior schools in person becoming possible again, we will redouble our efforts to help parents and children understand and, where appropriate, experience the range of senior school opportunities available to them. We take this next step very seriously for each and every Cargilfield child. Likewise, we will continue to review and assess the quality of outcomes for our children, taking the findings into our ongoing review of practice and resources.

Staff Development

With all of the challenges facing the staff over the last eighteen months and going forward, we are delighted with how they have responded with energy and imagination to fresh challenges. Supporting their welfare will remain a particular emphasis for the management team this year, especially at a time of specific challenges across the School. We are excited about the arrival of two new heads of department and will be looking to ensure a successful transition in both cases. We also hope to offer more training opportunities for sports coaching, minibus driving and to explore the development of a fund to help further staff development.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

FUTURE PLANS (continued)

Communication and Recruitment

After a period of time in which it has been more difficult to welcome parents onsite, we recognise the importance of marketing the School to our prospective parents and this must be a significant focus this year. We will start by creating a short film to sit on our website which emphasises the unique flavour of a Cargilfield education. We also plan to implement an annual questionnaire for our current parents (alongside that to our leaving parents) so that we can make sure we are meeting the needs of our families.

Alongside this, we will be marking two anniversaries: the 100th anniversary of the chapel in 2021 and the 150th anniversary of the School in 2023. We hope to involve more former pupils in this process and we aim to make better use of our former pupil database so that there is more effective and regular communication with that group.

Finance, Infrastructure and Administration

This has been an area of significant development over the last few years. We hope to start a further review of pay, benefits and pensions for our staff but also to make better use of the materials provided by our Health & Safety advisors.

Facilities and Environment

While 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 renovation of the old pavilion as an outdoor learning centre, and further child-centred improvements to the Nursery garden. A whole school building condition survey will be completed to make sure that maintenance is planned, rather than reactive, while at the same time we will undertake a longer-term review of the infrastructure needed for Cargilfield 2030.

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.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

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

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.

CARGILFIELD SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

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

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

Disclosure of information to the auditor

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

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

The Governors' Report and Strategic Report were approved by the Board of Governors at its meeting on 16 November 2021..... and signed on its behalf by:



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 (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities (incorporating 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 FRS 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 2021, 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

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors 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 financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. 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. 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 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 financial statements 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 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) have been prepared in accordance with applicable legal requirements.

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

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 in relation to which 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 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 Governors

As explained more fully in the Governors' Responsibilities Statement set out on page 12, 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

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 the 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the charitable company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 directors as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a body, 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 charitable company, the charitable company's members, as a body, and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Harkness

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

17 November 2021
.....

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 2021

	Note	Restricted Funds £	Designated Funds £	Un- Restricted Funds £	Total 2021 £	Restricted Fund £	Designated Funds £	Un- Restricted Funds £	Total 2020 £
Income and endowments									
Donations and legacies		-	2,665	7,780	10,445	-	2,360	1,146	3,506
Charitable activities									
School fees receivable	2	75,925	-	3,285,339	3,361,264	51,541	-	3,311,212	3,362,753
Other ancillary trading income	3	-	-	253,444	253,444	-	-	393,526	393,526
Other trading activities		-	-	6,083	6,083	-	-	8,630	8,630
Other income		-	-	76,624	76,624	-	-	100,238	100,238
Investments		-	-	1,925	1,925	-	2,906	12,483	15,389
Total income		75,925	2,665	3,631,195	3,709,785	51,541	5,266	3,827,235	3,884,042
Expenditure									
Raising funds	5	-	-	3,302	3,302	-	1,345	3,185	4,530
Charitable activities	5	75,925	137,332	3,708,052	3,921,309	51,541	170,698	3,579,133	3,801,372
Total expenditure		75,925	137,332	3,711,354	3,924,611	51,541	172,043	3,582,318	3,805,902
Net gains on investments		-	197,688	-	197,688	-	17,967	-	17,967
Net (expenditure)/income		-	63,021	(80,159)	(17,138)	-	(148,810)	244,917	96,107
Transfer between funds	11	-	136,842	(136,842)	-	-	170,667	(170,667)	-
Net movement in funds		-	199,863	(217,001)	(17,138)	-	21,857	74,250	96,107
Reconciliation of funds:									
Total funds brought forward	11	--	1,045,371	9,387,437	10,432,808	-	1,023,514	9,313,187	10,336,701
Total funds carried forward	11		1,245,234	9,170,436	10,415,670	-	1,045,371	9,387,437	10,432,808

All income resources are derived from continuing activities.

The notes on pages 20 to 30 form part of these financial statements.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

BALANCE SHEET

As at 31 July 2021

	Notes	£	31 July 2021 £	31 July 2020 £
Fixed assets				
Tangible assets	6		7,072,771	7,262,474
Investments	7		1,236,798	1,039,110
			-----	-----
			8,309,569	8,301,584
Current assets				
Debtors	8	116,715		146,619
Cash at bank and in hand		2,396,045		2,368,806
			-----	-----
		2,512,760		2,515,425
			-----	-----
Creditors: amounts falling due within one year				
	9	406,659		384,201
			-----	-----
Net current assets			2,106,101	2,131,224
			-----	-----
Net assets			10,415,670	10,432,808
			=====	=====
Funds				
General unrestricted funds	11		9,170,436	9,387,437
Designated funds	11		1,245,234	1,045,371
Restricted funds	11		-	-
			-----	-----
			10,415,670	10,432,808
			=====	=====

These financial statements were approved by the Board of Governors and authorised for issue on 16 November 2021 and are signed on its behalf by:

D Nisbet

 Chair Mr D Nisbet

Caroline Cook

 Vice Chair Mrs C Cook

Company No. SC025080

The notes on pages 20 to 30 form part of these financial statements.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

STATEMENT of CASH FLOW

For the year ended 31 July 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	1a	138,391	315,855
Cash flows from investing activities			
Dividends, interest and rents from investments		-	2,906
Interest received		1,925	12,483
Purchase of property, plant and equipment		(113,077)	(227,361)
Proceeds from sale of investments		-	978,602
Purchase of investments		-	(990,050)
Net cash used in investing activities		(111,152)	(223,420)
Change in cash and cash equivalents in the year		27,239	92,435
Cash and cash equivalents at the beginning of the year		2,368,806	2,276,371
Cash and cash equivalents at the end of the year		2,396,045	2,368,806
Analysis of cash and cash equivalents			
Cash in bank		2,396,045	2,368,806
		2,396,045	2,368,806
Note 1a Reconciliation of net incoming resources to net cash inflow from ordinary activities			
		2021 £	2020 £
Net (outgoings)/income for the year		(17,138)	96,107
Adjustments for:			
Depreciation charges		302,780	302,163
(Gains) on investments		(197,688)	(17,967)
Income from investments		-	(2,906)
Interest received		(1,925)	(12,483)
Decrease in debtors		29,904	72,267
Increase/(decrease) in creditors		22,458	(121,326)
Net cash inflow from ordinary activities		138,391	315,855

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

The notes on pages 20 to 30 form part of these financial statements.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS

For the year ended 31 July 2021

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.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

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.

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

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 2021

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	2021	2020
	£	£
The School's fee income comprised:		
Gross fees	3,994,999	4,258,046
<u>Less: Means tested bursaries</u>	(136,842)	(170,668)
Grants and discounts	(496,893)	(724,625)
	-----	-----
	3,361,264	3,362,753
	=====	=====

3. Other ancillary trading income	2021	2020
	£	£
Flexi-boarding	9,360	49,280
After school club	39,774	48,509
Clubs and activities	183,848	294,059
Other	20,462	1,678
	-----	-----
	253,444	393,526
	=====	=====

4. Staff costs	2021	2020
	£	£
Salaries and wages	2,149,056	2,038,322
Social security costs	196,279	183,489
Other pension costs	317,809	303,905
	-----	-----
	2,663,144	2,525,716
	=====	=====

The Governors received no remuneration (2020: £Nil) and no (2020: three) governors were reimbursed for expenses totalling £nil (2020: £1,210).

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

	2021	2020
	No.	No.
Teaching	45	45
Domestic	10	10
Maintenance	5	4
Office	10	11
	-----	-----
	70	70
	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

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 £529,861 (2020: £521,127). In addition, members of key personnel are entitled to receive a discount on their children's school fees amounting to 85% (2020: 85%).

One employee earns remuneration in the band £100,000 - £110,000 (2020: one) and had retirement benefits accruing under a defined benefit scheme of £22,745 (2020: £21,998). Two employees earned in the band £60,000 - £70,000 (2020: 2) and had benefits accruing under a defined contribution scheme and a defined benefits scheme totalling £20,890 (2020: £20,335). No other employee earns more than £60,000 per annum.

5. Expenditure	Staff costs	Other	Depreciation	2021 Total
	£	£	£	£
(a) Analysis of total resources expended - 2021				
Charitable activities				
School operating costs:				
Teaching costs	2,012,688	69,237	-	2,081,925
Welfare costs	180,195	230,996	-	411,191
Premises	132,471	357,980	244,292	734,743
Support and governance costs	337,790	297,172	58,488	693,450
	-----	-----	-----	-----
	2,663,144	955,385	302,780	3,921,309
Raising funds				
Fundraising payments	-	3,302	-	3,302
	-----	-----	-----	-----
	2,663,144	958,687	302,780	3,924,611
	=====	=====	=====	=====

	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
	=====	=====	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

5. Expenditure (continued)

(b) Support and governance costs	2021	2020
	£	£
Support costs		
Salary costs	337,790	341,013
Motor and transport	35,015	40,632
Administration costs	98,209	53,030
Computer maintenance	72,626	57,828
Legal and professional fees	35,820	31,659
Clubs and activities	40,347	124,087
Bad debts	-	3,934
Depreciation	58,488	71,026
	-----	-----
	678,295	723,209
	-----	-----
Governance costs		
Auditor's remuneration	10,742	7,354
Governors' expenses	175	1,210
Inspection	4,238	5,085
	-----	-----
	15,155	13,649
	-----	-----
Total	693,450	736,858
	=====	=====

6. Fixed assets - tangible assets	Freehold land and buildings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2020	9,762,454	765,790	379,298	45,508	10,953,050
Additions	38,819	59,042	15,216	-	113,077
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 July 2021	9,801,273	824,832	394,514	45,508	11,066,127
	-----	-----	-----	-----	-----
Depreciation					
At 1 August 2020	2,708,878	646,924	289,266	45,508	3,690,576
Provided for the period	244,292	20,018	38,470	-	302,780
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 July 2021	2,953,170	666,942	327,736	45,508	3,993,356
	-----	-----	-----	-----	-----
Net book value at 31 July 2021	6,848,103	157,890	66,778	-	7,072,771
	=====	=====	=====	=====	=====
Net book value at 31 July 2020	7,053,576	118,866	90,032	-	7,262,474
	=====	=====	=====	=====	=====

CARGILFIELD SCHOOL
(a charitable company limited by guarantee)

NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

7. Fixed assets – investments	2021	2020
	£	£
Quoted investments	1,236,798	1,039,110
	-----	-----
	1,236,798	1,039,110
	=====	=====
Quoted investments		
Cost b/fwd at 31 July	990,050	862,105
Net unrealised gain	49,060	147,590
	-----	-----
Market value b/fwd at 31 July	1,039,110	1,009,695
Purchases at cost	-	990,050
Disposals at opening market value	-	(1,009,695)
Net unrealised (loss)/gain	197,688	49,060
	-----	-----
Market value c/fwd at 31 July	1,236,798	1,039,110
	=====	=====
Cost at 31 July	990,050	990,050
	=====	=====
Net unrealised gain included above on investment assets	246,748	49,060
	=====	=====
Reconciliation of movements in unrealised losses on investment assets		
Net unrealised gains b/fwd at 31 July	49,060	147,590
Movement in respect of disposals in period	-	(147,590)
	-----	-----
	49,060	-
Net (loss)/gain arising on revaluation in period	197,688	49,060
	-----	-----
Unrealised gain c/fwd at 31 July	246,748	49,060
	=====	=====

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

8. Debtors	2021	2020
	£	£
Debtors	36,771	74,628
Prepayments and accrued income	79,944	71,991
	-----	-----
	116,715	146,619
	=====	=====
9. Creditors: amounts falling due within one year	2021	2020
	£	£
Other tax and social security	71,015	54,073
Other creditors	213,777	193,367
Fees paid in advance	1,190	49,346
Accruals	120,677	87,415
	-----	-----
	406,659	384,201
	=====	=====

CARGILFIELD SCHOOL
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NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

10. Financial instruments

2021
£

2020
£

Financial assets at fair value through profit or loss:

Investments in equity instruments 1,236,798 1,039,110
=====

11. Analysis of net assets among funds – 2021	Restricted funds	Designated funds	General un-restricted Funds	Total
	£	£	£	£
Balance at 31 July 2020	-	1,045,371	9,387,437	10,432,808
Incoming resources	75,925	2,665	3,631,195	3,709,785
Outgoing resources	(75,925)	(137,332)	(3,711,354)	(3,924,611)
	-----	-----	-----	-----
Net incoming/(outgoing)resources before transfers and investment gains	-	(134,667)	(80,159)	(214,826)
Investment gain (realised and unrealised)	-	197,688	-	197,688
Transfer between funds	-	136,842	(136,842)	-
	-----	-----	-----	-----
Balance at 31 July 2021	-	1,245,234	9,170,436	10,415,670
	=====	=====	=====	=====
Represented by:				
Tangible fixed assets	-	-	7,072,771	7,072,771
Fixed asset investments	-	1,236,798	-	1,236,798
Net current assets	-	8,436	2,097,665	2,106,101
	-----	-----	-----	-----
Total net assets	-	1,245,234	9,170,436	10,415,670
	=====	=====	=====	=====

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 – 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 gain (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

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 £nil (2020: £2,906) and funded bursaries amounting to a cost of £136,842 (2020: £170,698). The Trustees decided during the period to make a transfer of £136,842 (2020: £170,667) from the general unrestricted funds to the designated bursary fund. The remaining fund balance at 31 July 2021 was £1,236,798 (2020: £1,039,110).

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 £2,665 (2020: £2,360) was received and £490 (2020: £30) was expended. The fund balance at 31 July 2021 was £8,436 (2020: £6,261).

Restricted funds

Nursery Partnership Fund

The Nursery Partnership Fund receives front funding from the Government to help subsidise nursery places. £75,925 (2020: £51,541) was received and expended during the year.

CARGILFIELD SCHOOL
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NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

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 informed an increase in the employer contribution rate from 17.2% to 23% of pensionable pay from 1 September 2019 and an anticipated yield of 9.4% employee contributions.
- (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 for the period from 1 April 2020 is 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay.
(iv) While a valuation was carried out as at 31 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that the current employer contribution rates would stay in force until 1 April 2024.
(v) Cargilfield School's level of participation in the scheme is 0.0519% based on the proportion of employer contributions paid in 2019-20.

The total pension cost of this scheme for the period was £290,277 (2020: £280,615) and has been charged to the SOFA. At 31 July 2021 contributions amounting to £24,229 (2020: £23,291) 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 £27,532 (2020: £25,547). At 31 July pension costs of £2,250 (2020: £2,095) 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.

CARGILFIELD SCHOOL
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NOTES on the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2021

14. Commitments under operating leases

At 31 July 2021, the total commitments payable under non-cancellable operating leases for equipment, falling due:

	2021	2020
	£	£
Within 1 year	32,527	32,395
Within 2 to 5 years	51,275	46,810
	-----	-----
	83,802	79,205
	=====	=====

15. Capital commitments

	2021	2020
	£	£
Contracted but not provided for	36,152	-
	=====	=====

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.