

COMPANY REGISTRATION NUMBER: SC042495
CHARITY REGISTRATION NUMBER: SC010817

Craigclowan School Limited
Company Limited by Guarantee
Financial Statements
31 July 2023

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PB AUDIT LIMITED
REGISTERED AUDITORS

Craigclowan School Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2023

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Craigclowan School Limited

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Governors' Annual Report

Year ended 31 July 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 July 2023.

Governors' report

Following the UK economy's 'return to normal' after the pandemic we were then faced with a 'Cost of Living' crisis. This clearly had an impact on our school and lower pupil numbers and higher costs resulted in another difficult year ending with a deficit of £211,748.

Where we could manage the cost changes in utility contracts and fuel consumption we did, we managed to enter into more favourable electricity and oil supply costs. However, these cost levels were still greater than we had previously been used to.

Beyond energy price exposures the organisation was faced (like most of the UK population) with generally escalating costs across the board, and to this end our skill of prudence was severely tested.

The general performance of the school still thrived and whilst we found a degree of erosion in our numbers in the main school. The roll out of our strategy to build a vibrant nursery school with an expanded provision started to take effect. The increase in numbers at this entry point for the school was very encouraging, with further growth predicted.

Our pre-school is another cause for optimism as its numbers have continued to grow from 43 children (July 2022) to 58 (July 2023) and 80 children are already registered to be at pre-school for the end of July 2024. We have now, in early 2024, further increased our capacity for pre-school by converting an unused building within the school grounds.

The first cohort of this enlarged pre-school has been confirmed for entry to Form 1 starting in September 2024. We fully expect that this strategy of 'grow your own' will result in a return to surpluses in the very near future.

All in all, we have managed to improve the level of this period's operating performance with this year's deficit a significant improvement of £159,520 on the last year's deficit of £371,268 and was achieved following cost saving measures approved by the Governing Board.

On Wednesday the 26th June 2024 we announced our exciting plans to merge with Glenalmond College, following the formation of a strategic partnership. This partnership has been forged following a robust strategic review by the governing bodies of both long-established schools, to ensure they are very strongly positioned for the future.

In addition to building on the values, vision and ethos embodied by the two schools, the merger will see pupils and staff benefit from shared facilities and specialist resources for development and creativity, across academic, co-curricular and support teams.

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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Both schools will remain in their respective locations and retain their current identities - names, ethos and values, crests, uniforms - as well as their day-to-day operational autonomy. The schools will continue to operate under the guidance and regulatory framework of their respective governing boards.

As well as offering an outstanding education, the schools employ a total of around 250 staff and make a significant contribution to the Perthshire economy. They will continue to foster and nurture positive relationships with other junior and senior schools, and Craigclowan families will continue to have the opportunity to consider a full range of senior schools, along with Glenalmond, for pupils to move to when they complete their preparatory education.

As part of the merger facility there will be financial support provided by Glenalmond College that substantially improves the operating capabilities of Craigclowan. The support more than covers all of the forecast operating cash flows, capital expenditures and debt servicing requirements over the next 12 months.

Craigclowan School Limited

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Governors' Annual Report *(continued)*

Year ended 31 July 2023

Reference and administrative details

Registered charity name Craigclowan School Limited

Charity registration number SC010817

Company registration number SC042495

Principal office and registered office Craigclowan School
Edinburgh Road
Perth
PH2 8PS

The trustees

R W Farrar BSc (Chairman)	
R M Bullen (Governor)	
J E R Bax MA	
H E Stephen	
J A Collinson BSc MBChB MRCP	
J A Weatherby	
M E Beale	
M D Bell	(Appointed 24 November 2022)
G E Gordon	(Appointed 9 March 2023)
M J Hope	(Resigned 14 September 2022)
C C Kinnoull	(Resigned 9 March 2023)
B T Stevenson	(Resigned 17 February 2023)
C McCarthy	(Appointed 20 March 2024)

Company secretary Morton Fraser Secretaries Limited

Auditor PB Audit Limited
Registered Auditors
18 North Street
Glenrothes
Fife
KY7 5NA

Bankers The Royal Bank of Scotland plc
12 Dunkeld Road
Perth
PH1 5RB

Craigclowan School Limited
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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Solicitors	Morton Fraser Quatermile Two 2 Lister Square Edinburgh EH3 9GL
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Structure, governance and management

The charitable company is governed by its Memorandum of Association constituted in 1965.

The Governors (as the Trustees of the charitable company) are legally responsible for the overall management and control of the school and meet at least three times a year. The work of implementing the Governors' policies and day to day running of the School is carried out by the Head. Craigclowan is an affiliated school to the Independent Association of Preparatory Schools ("IAPS"), which exists for the promotion and maintenance of preparatory school standards generally, and the school is also a member of the Scottish Council of Independent Schools ("SCIS"), the Independent Schools Council ("ISC") and the Independent Schools Bursars Association ("ISBA").

Craigclowan benefits from the generosity of a thriving Parent Teacher Association ("Friends of Craigclowan") whose close support and generosity is greatly appreciated, especially in their running of the school's second-hand uniform shop within the school.

The day to day running of the School is delegated to the Head, supported by the School Management Team. The Head and/or the Bursar attend meetings of the School's five working committees of Governors: Health & Safety, Education, Finance (including Bursary Awards), Child Protection and Marketing.

Pay and remuneration

The trustees receive no payment from the school. However, any reasonable out of pocket expenses may be reimbursed.

Remuneration of staff is based on pay-scales that are agreed by the Finance Committee. These are set using information from Scottish Teachers Pay Scales and information provided in The Guide to Salaries report, produced by the professional advisers to the Independent Association of Prep Schools (IAPS). The salaries of the key management personnel are also set on this basis. Salaries are reviewed annually.

Craigclowan School Limited
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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Structure, governance and management *(continued)*

Recruitment, induction and training of Governors

The charitable company's elected Governors are appointed on the basis that they are people who have a strong connection with the school, can demonstrate a commitment to the ethos of the school and have skills which will complement the existing Board. Governors nominate candidates who are approached to see if they are willing to have their name put forward and the full Board votes on those nominated. Governors serve for a 3 year term and each Governor may seek re-election for a maximum of 3 terms. Re-election is sought at the AGM and requires approval by Board members. Although 3 terms is the preferred policy, the Board decided to allow Governors to serve for longer than the 3 terms so long as their skill set remained of value to the Board and as it was both prudent and in the interests of the school to do so. New Governors are inducted into the working of the charitable company, including Board policy and procedures, through briefings organised for them by the Head. Governors also attend training days organised by SCIS.

Objectives and activities

The charitable company's objectives are set out in its Memorandum of Association. Its principal objective, as stated in the Memorandum, is "to promote education generally and for that purpose to establish, acquire, purchase, erect, lease, develop, carry on and maintain a School or Schools at such place or places within Scotland or elsewhere in the United Kingdom as shall from time to time be determined, and in particular without prejudice to said generality to carry on a Day School or Boarding and Day School for boys and girls and pre-school groups, preparatory or otherwise."

Aims and intended impact

Within these objects, the School's aim is to provide a first class, independent day-school education, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment in which each pupil can develop and fulfil his or her potential and thus help to build self-confidence and inculcate a desire to contribute to the wider community.

Objectives for the year

The Governors' main objectives continued to be to educate boys and girls aged 3 to 13 to the same high standard as in previous years, so that they will be able to benefit from their chosen senior school for the completion of their secondary education. Their strategy for achieving this is to maintain a high teacher/pupil ratio, tailoring their services as appropriate in each case to suit individual needs. There is a strong emphasis in the curriculum on languages and science with a specialist Support for Learning Department to help those with particular learning difficulties.

The children in Forms 1 to 5 follow the basis of the Scottish Curriculum for Excellence. As pupils enter Form 6, they transfer to the Common Entrance syllabus as laid down by the Independent Schools Examination Board which leads them towards the exams they sit at the end of their final year. The syllabus takes children beyond the level required for entry to independent schools who retain the "Scottish" system e.g. Dollar Academy and the High School of Dundee.

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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Objectives and activities *(continued)*

The pre-school continues to be a cornerstone for success as we partner with Perth and Kinross Council (PKC). PKC have awarded us a 5 year contract (2023-28) to provide for enhanced Early Learning and Childcare (ELC), meaning that qualifying children aged between 3 and 5 years old were entitled to 1,140 hours of free ELC at our school during an academic year. This has seen a strong increase in the number of children joining the pre-school and this trend is expected to continue into the future. We have reviewed our estate and have identified areas where we feel we can increase our pre-school capacity. The conversion of pupils from pre-school to Form 1 is a task we are fully focused on.

Strategies to achieve the year's objectives

These include the continued review of the School's academic syllabus in order to benchmark academic standards against public examinations and independent value-added criteria. To this end, a comprehensive programme of standardised testing continues so the school has a clear idea of the level and progress of each child. The Digital Learning Strategy has seen staff and pupils using the Google Education Suite which has improved collaborative working. Each child in the top five years of the school continues to have a Chromebook for their individual use and a class set is available for each of the lower three years. This, along with the recent introduction of new, up to date, teaching screens will now ensure that pupils have access to a higher quality of IT provision in school.

The academic achievements are balanced by a strong emphasis on extra-curricular skills with the breadth of offered activities being reviewed to ensure they are relevant and valuable to children. Maintaining the expertise of teaching staff and ensuring successor planning and staff development is crucial and the staff Professional Review and Development programme is fully functioning and helping in this area. The School will continue to contribute actively to the development of the Curriculum of Excellence, and in doing so will work with His Majesty's Inspectorate of Education, the school's allocated link Inspector, the Scottish Government and SCIS.

Principal activities in the year

The charitable company principally provides education in Perth to boys and girls from the ages of 3 to 13 in the Main School and the Pre-school. This year, the Main School averaged 150 (2022: 176) pupils, the Pre-school averaged 49 (2022: 33) and for the current year (2024) we are currently sitting with 72.

Financial assistance

The School's policy has always been to keep fees at the minimum level consistent with its educational aims. In past cases, where the level of fees presented a barrier to access, the Board of Governors offered financial assistance commensurate with the school's available resources. This policy was formalised in 2007 with the introduction of new admissions and bursary policies, whereby any request for assistance is considered by the Bursary Awards Committee and awarded solely on the basis of financial need based on a detailed means test. This committee consists of the Head, the Bursar and one nominated Governor and they may award financial assistance of between 5 per cent to a maximum of 100 per cent. The existence of means-tested bursaries is now clearly stated in the School's literature, on the website and any advertisements published on the School's behalf.

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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Objectives and activities *(continued)*

The value of means-tested bursaries awarded in 2022/2023 amounted to £306,209 (11.0% of main school fee income). This award was shared by 41 pupils or 27.3% of the total school roll for the year. In 2021/22, 43 pupils received means-tested bursaries amounting to £322,245 (12.5% of main school income).

In the Pre-School a total of £237,061 was received from Perth & Kinross Council (2022: £152,158).

Achievements and performance

As well as aiming for excellence academically, in music, art, drama and sport, the School hopes that its pupils will leave as well-rounded individuals, ready to play their part as successful learners, confident individuals, effective contributors and responsible citizens in the modern, dynamic world. This seems to have been achieved again this year as the School has continued to endorse the principles contained within "A Curriculum for Excellence".

An important part of school life is the contribution Craigclowan School makes to the local and wider communities:

- In 2022-23 the school made donations to a number of local and national charities including Children in Need, Comic Relief and the Scottish Poppy Appeal. In addition, following our annual harvest festival service, we distributed food parcels via the Royal Voluntary Service to the elderly in and around Perth. We also raised over £300 at Craigclowan's Got Talent, and this was donated to Hearts & Minds after their fantastic Clown Doctors had been raising the spirits of one of our pupils during her stay at Edinburgh Sick Kids Hospital. The school also tries to support pupils with their own individual fundraising efforts wherever possible. This included two of our Form 5 girls donating half the profits from their stall at the Christmas Fair to Perth Foodbank.
- Craigclowan became the first junior school member of RSABI's Supporters Scheme, a charity which supports people in Scottish agriculture who have found themselves in difficult times.
- The school facilities are available to a number of local groups. Our facilities and all weather sports pitch is used throughout the year for hockey coaching as well as tennis, multi-sport, judo and rugby coaching in the school holidays. We are fortunate to have our own dry ski slope which is available through Ski Excel to teach local children to ski. We also link with and use our facilities for fixtures against local primary schools.
- Craigclowan sponsored the Perthshire RFC Mini Rugby Festival on the North Inch in Perth for the eighth successive year. It was a very successful event with 70 teams from all over Scotland taking part, including a Craigclowan U9 team for the first time.
- We also sent a team of staff, boys and girls to take part in Perthshire Rugby's Adam Pattinson Touch Rugby Festival. On an incredibly hot June day, everyone gave their best to remember a friend, colleague and wonderful teacher.

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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Achievements and performance *(continued)*

- We supported the GWCT Game Fair at Scone Palace once again, taking a stand for the three day event. Our Form 8 pupils also attended the event and took part in several different activities as guests of the GWCT.
- Ten children and three staff members travelled to Italy as part of our Erasmus programme.
- We visit lots of local organisations throughout the year on trips to reinforce the children's learning.
- Our monthly Tea and Tots sessions returned. These free events for children aged 18 months and above to come along for a play session with a parent or grandparent, are on offer to anyone in the local community who would like to come along.
- Our well-established community garden remains very popular. Local gardeners work with our children on growing produce in the school's walled garden, as well as tending to their own allotments.
- We are an eco-conscious school and our action plans include litter, waste reduction, school grounds, conserving energy, health and biodiversity. In June 2023, our biodiversity trail around the school campus was selected as a Regional Winner of the Primary Awards for Green Education in Schools, winning the school £500.
- Our Automated External Defibrillator, supplied by the Oliver King Foundation last year, has been used by the Scottish Ambulance Service out of hours.
- We employ over 70 local people and provide education to 220 local children. Where possible, we actively use local organisations for our supplies and maintenance, as well as to assist with extra-curricular activities, trips and visits and the provision of services for camps and key events.
- The school also contributes to the professional development of the teachers to support the advancement of education in Scotland. We provide general work experience to probationary teachers or those with an interest in taking up teaching as a profession.

The academic year 2022/2023 was another successful year. Here is a selection of key achievements:

- Following Craigclowan's successful Education Scotland Inspection and interviews thereafter, both the Head and Deputy Head have been invited to become Associate Assessors for Education Scotland. Associate Assessors make an important contribution to inspection programmes through specialist skills and current experience in the Scottish education system and during inspection visits they undertake evaluative activities, lead professional dialogue, record evidence and share inspection findings.

Craigclowan School Limited

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Governors' Annual Report *(continued)*

Year ended 31 July 2023

Achievements and performance *(continued)*

- Our pupils won 11 scholarships to their chosen senior schools, making a total of 196 in the last 17 years. Testament to the breadth and quality of the school's education provision, Art, Sport, Piping, Drama, Performing Arts and All-Rounder scholarships were awarded, as well as the Warden's Scholarship for Leadership from Glenalmond. Our Form 8 pupils' 13+ Common Entrance exam results were again extremely impressive, and they moved on to some of the country's top senior schools, namely Sedbergh School, Glenalmond College, Dollar Academy, Kilgraston School, Merchiston Castle School and Strathallan School.
 - Our nursery continues to expand and five new members of staff have been recruited to keep up with demand for places. Demand for places 48 weeks per year also continues to grow since its launch at Christmas.
 - Our exciting partnership with the Chinese education provider, LUKEC, to establish a chain of English language nursery schools in China using the brand name 'Craigclowan China' is operating well.
 - Our Form 8 pupils sat the first round of the Junior UKMT (UK Maths Trust) Olympiad. Bronze certificates (top 50%) were awarded to five of our pupils and Silver certificates (top 25%) were awarded to three pupils. Form 6 also competed in the Primary Maths Challenge with one pupil receiving a Bronze certificate, two receiving Silver certificates and one pupil receiving a Gold.
 - The Junior, Mini and Micro Dukes Scheme, our own version of the Duke of Edinburgh Award Scheme for our pupils who are too young to participate, continues to encourage independence and self-motivation and is open to pupils from Forms 1 - 7. The awards ceremony to celebrate the achievements of pupils was held in June 2023 and saw 59 children receiving awards, including four platinum awards.
 - We continue to support Perform in Perth and our Concert Choir won the 'best choir' trophy from across all the choir classes, along with a sweep of other prizes. One of our Form 8 boys took first place in the 13 & Over Novice Bagpipes Class, from a field of 23.
 - For the first time, our Summer Concert saw a boys choir of 70 pupils perform.
 - On the local sports fields, the Games Department has ensured that all pupils in Forms 4 - 8 have participated in a competitive nature and represented the school in one or more sports. We have played over 70 fixtures.
 - Our U11 rugby squad enjoyed an unbeaten season, as did our U13 girls in netball and cricket.
 - Our U13 team came third, by two runs, in the Glenalmond Cricket Sixes.
 - Our hockey programme has continued to develop and a new record of fifty children are in training in our Hockey Academy. Our oldest Pre-school pupils are also now receiving hockey lessons.
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Craigclowan School Limited
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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Achievements and performance *(continued)*

- We hosted an U11 boys hockey tournament as well as an U9 mixed hockey festival.
- Five pupils were selected for the Midlands hockey squad. Four boys were selected for Caledonians representation in rugby and six of our girls represented Caledonians when they took part in the IAPS hockey tournament. Four girls played Caledonians netball.
- We have had yet another hugely successful cross country season at events such as the Rawthey Run in Sedbergh, at the Scottish Prep Schools Championships at Belhaven, the Primary Schools Championships at Kirkcaldy and the Merchiston relays with medals galore for both team and individual competitors.
- At the IAPS Athletics Championships at Fettes we brought home 11 gold, 10 silver and 9 bronze medals and came third overall in the relays.
- We continue to make full use of our dry ski slope and expand skiing as part of the Games curriculum in school. This is reaping rewards in competition. We won gold at the Scottish Schools Snowsports Association Dual Slalom Race and qualified for the Primary School Finals in Glasgow where we came fourth overall. Our ski team also took part in the IAPS Indoor Ski Championships at Hemel Hempstead in May, the only Scottish school to compete. Our U12 team competed in the U13 event and came third, our U11s came fourth and our U9s were also third. At the Scottish Prep Schools Ski Race at Glenshee, our A team took silver in the team event and a Form 7 boy took silver in the U13 boys category. One of our boys also took silver in the U11 age group. Form 1 will have the opportunity to ski next year and our ski team will be entering more races.
- We ran a successful ski holiday to Sestriere and introduced a House Skiing Competition.
- One of our Form 7 boys represented GB in the Laser Run at the European Modern Pentathlon Championships in Greece and came sixth. He also took part in the World Laser Run in Portugal and placed 12th overall in his age group.
- One of our Form 6 boys won gold at the Edinburgh Youth Development Series Fencing in the U13 Men's Sabre event. A Form 5 boy took bronze in the Men's U11 Sabre.
- We sent an U12 team to compete in the Strathallan Clay Pigeon Shooting Competition.
- One of our Form 8 girls competed in the Kilgraston Scottish Schools Equestrian Championships. From fields of 21 and 31, she placed 6th and 8th.
- We sent a team from Form 5 and a team from Form 6 to the Scottish Schools Orienteering Festival at Callendar House.
- A Form 4 girl had her painting 'Midnight Walk' selected to be shown at the Royal Academy of Arts in London at their Young Artists Summer Show.

Craigclowan School Limited
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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Achievements and performance *(continued)*

- St Leonards School hosted their annual Techno Challenge in early June 2023 and a team from Form 6 competed.
- Our end of year production of 'Oliver!' was widely regarded by staff and parents as the best drama production ever seen at Craigclowan. For the first time, our Form 8 pupils were supported by a cast from Forms 6 and 7, along with our Concert Choir.
- We planted the Queen Elizabeth II Memorial Hedge as part of the Queen's Green Canopy, in memory of Her Majesty Queen Elizabeth. This is made up of 400 plants very kindly donated by The Woodland Trust.
- The Friends of Craigclowan Committee helped to run the very successful 70th Anniversary Ball at Crieff Hydro, which resulted in raising £32,000 for use by the school.

Financial review

The School generated net expenditure of £211,748 in the current year compared to a net expenditure of £371,268 in the prior year.

Reserves policy

The School's policy is to continue building up its free reserves by means of an annual operating surplus.

The School currently has total reserves of £1,133,671 at the Balance Sheet date (2022: £1,345,419) of which £1,083,482 (2022: £1,307,644) relates to unrestricted funds. The remainder, £50,189 (2022: £37,775) relates to restricted funds which are not available for the general purposes of the School at the end of the reporting period.

Investment policy

There are no restrictions on School's power to invest. The Governors have full power to invest in assets as and when they see fit.

Risk management and assessment

The governance of the School is controlled through a number of Board committees. These oversee Academic issues, Child Protection and Safeguarding, Health and Safety, Finance, and Marketing. Agenda items are brought to each committee and the full Board oversee any significant issues. The Board now meet twice a term; once 'informally' to discuss any relevant matters and the main termly board meeting.

Craigclowan School Limited
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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Financial review *(continued)*

The greatest risk to the School remains a decline in pupil numbers leading to an unaffordable cost base. The financial climate is reviewed by the Board regularly. Although there has been a slight reduction in pupil numbers the majority of our parent body have been able to continue to afford independent education. Where pupils have left, there is evidence that for some this is as a result of relocation following either a change in employment or with companies restructuring. We are not seeing a large exit out of the independent sector. The Board's strategy has remained to mitigate financial pressure on parents and to maintain a positive relationship with the parent body.

There is a process in place to consider the facilities for the School both in terms of buildings and also educational equipment. Through this system there is input from teaching staff, discussion within the Board Committee and also at full Board meetings. This enables the School to move forward and develop to meet future needs.

The safeguarding of pupils is essential and drives everything we do at Craigclowan. The Child Protection and Well Being policy is published on our website and is reviewed annually. All staff receive annual training in this area and the Child Protection and Safe Guarding committee meets every term and through its expertise is able to provide strategic direction to the School.

Where appropriate the School has obtained suitable insurance cover for risks. This cover is reviewed on a regular basis.

Through the risk management process established for the School, the Governors are satisfied that the major risks have been adequately mitigated where necessary.

Plans for future periods

The Governors are confident that the traditional, co-educational preparatory school model continues to offer a valuable all-round education for children aged three to thirteen years. The quality and breadth of the education provided, combined with the extensive opportunities to identify and develop each child's skills and talents, delivered within a traditional framework with proven high standards and expectations, provides the best possible preparation for future learning, high achievement and life in senior school and beyond.

In order to build upon the previous success of the School, the Governors, Leadership team and staff are working to identify areas for future development. This forms part of an ambitious development plan which will include, renovating existing buildings, developing the sporting amenities and supporting the creative arts within the School. This will be funded partly from income and partly from a fundraising campaign over the coming years.

The School recognises that it must remain highly competitive in every single aspect of its provision. The School is committed to investing in and ensuring that the standard of facilities and high quality of education offered remains highly attractive and appropriate to meet the many needs and expectations of the children, staff, parents, senior schools and what is a rapidly changing society generally.

Craigclowan School Limited
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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Plans for future periods *(continued)*

Finally, the School remains committed to broadening pupil access to the School. It will continue to explore ways to further develop its established means tested bursary scheme thus enabling more children who may not otherwise have the opportunity to benefit from the quality of education Craigclowan is able to provide.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees 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. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

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

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Governors' Annual Report *(continued)*
Year ended 31 July 2023

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The governors' annual report was approved on 29 July 2024 and signed on behalf of the board of trustees by:



R W Farrar BSc (Chairman)
Trustee



R M Bullen (Governor)
Trustee

Craigclowan School Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Craigclowan School Limited

Year ended 31 July 2023

Opinion

We have audited the financial statements of Craigclowan School Limited (the 'charity') for the year ended 31 July 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 charity's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

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Independent Auditor's Report to the Members of Craigclowan School Limited *(continued)*

Year ended 31 July 2023

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 trustees are responsible for the other information. 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.

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005, and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of trustees' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit; or
 - the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report, included within the trustees' annual report, and from the requirements to prepare a strategic report.
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Craigclowan School Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Craigclowan School Limited *(continued)*

Year ended 31 July 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulations and prohibited business practices, and we considered that the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override controls), and determined that the principal risks were related to the potential posting of inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Craigclowan School Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Craigclowan School Limited *(continued)*

Year ended 31 July 2023

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance including the Board.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Identifying and testing journal entries based on risk criteria.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Testing transactions entered into outside of normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Reviewed accounting estimates for evidence of bias.
- Reviewed property valuations carried out by surveyors.
- Performed analytical review and sample testing of income.
- Agreed financial statement disclosures to supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
 - Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
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Craigclowan School Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Craigclowan School Limited *(continued)*

Year ended 31 July 2023

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Wallace B.Acc.(Hons), F.C.C.A (Senior Statutory Auditor)

For and on behalf of
PB Audit Limited
Registered Auditors
18 North Street
Glenrothes
Fife
KY7 5NA

PB Audit Limited are eligible to act as auditors under the terms of Section 1212 of the Companies Act 2006.

29 July 2024

Craigclowan School Limited
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 31 July 2023

			2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	–	5,376	5,376	5,320
Charitable activities	6	2,711,300	20,299	2,731,599	2,541,984
Investment income	7	376	–	376	–
Other income	8	6,865	–	6,865	7,022
Total income		<u>2,718,541</u>	<u>25,675</u>	<u>2,744,216</u>	<u>2,554,326</u>
Expenditure					
Expenditure on charitable activities	9,10	2,933,964	19,322	2,953,286	2,925,594
Other expenditure	12	2,678	–	2,678	–
Total expenditure		<u>2,936,642</u>	<u>19,322</u>	<u>2,955,964</u>	<u>2,925,594</u>
Net expenditure		<u>(218,101)</u>	<u>6,353</u>	<u>(211,748)</u>	<u>(371,268)</u>
Transfers between funds		(6,061)	6,061	–	–
Net movement in funds		<u>(224,162)</u>	<u>12,414</u>	<u>(211,748)</u>	<u>(371,268)</u>
Reconciliation of funds					
Total funds brought forward		<u>1,307,644</u>	<u>37,775</u>	<u>1,345,419</u>	<u>1,716,687</u>
Total funds carried forward		<u>1,083,482</u>	<u>50,189</u>	<u>1,133,671</u>	<u>1,345,419</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 23 to 38 form part of these financial statements.

Craigclowan School Limited

Company Limited by Guarantee

Statement of Financial Position

31 July 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	17	2,278,957	2,327,432
Current assets			
Stocks	18	1,300	1,300
Debtors	19	783,941	805,600
Cash at bank and in hand		4,527	198,535
		<u>789,768</u>	<u>1,005,435</u>
Creditors: amounts falling due within one year	20	1,306,398	1,328,300
Net current liabilities		<u>516,630</u>	<u>322,865</u>
Total assets less current liabilities		1,762,327	2,004,567
Creditors: amounts falling due after more than one year	21	628,656	659,148
Net assets		<u>1,133,671</u>	<u>1,345,419</u>
Funds of the charity			
Restricted funds		50,189	37,775
Unrestricted funds		1,083,482	1,307,644
Total charity funds	25	<u>1,133,671</u>	<u>1,345,419</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 29 July 2024, and are signed on behalf of the board by:

R W Farrar BSc (Chairman)
Trustee

R M Bullen (Governor)
Trustee

The notes on pages 23 to 38 form part of these financial statements.

Craigclowan School Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 July 2023

	2023 £	2022 £
Cash flows from operating activities		
Net expenditure	(211,748)	(371,268)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	109,939	111,484
Other interest receivable and similar income	(376)	–
Interest payable and similar charges	1,776	1,410
Accrued expenses/(income)	2,340	(6,168)
<i>Changes in:</i>		
Trade and other debtors	21,659	(75,592)
Trade and other creditors	(103,596)	38,359
Cash generated from operations	(180,006)	(301,775)
Interest paid	(1,776)	(1,410)
Interest received	376	–
Net cash used in operating activities	<u>(181,406)</u>	<u>(303,185)</u>
Cash flows from investing activities		
Purchase of tangible assets	(68,744)	(11,458)
Proceeds from sale of tangible assets	7,280	–
Net cash used in investing activities	<u>(61,464)</u>	<u>(11,458)</u>
Cash flows from financing activities		
Proceeds from borrowings	41,803	168,931
Payments of finance lease liabilities	7,059	(26,930)
Net cash from financing activities	<u>48,862</u>	<u>142,001</u>
Net decrease in cash and cash equivalents	(194,008)	(172,642)
Cash and cash equivalents at beginning of year	198,535	371,177
Cash and cash equivalents at end of year	<u>4,527</u>	<u>198,535</u>

The notes on pages 23 to 38 form part of these financial statements.

Craigclowan School Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 July 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is Craigclowan School, Edinburgh Road, Perth, PH2 8PS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling (GBP), which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income tax

The charity is exempt from tax on income and gains falling within section 505(1) of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The charity is not registered for VAT and therefore expenditure is stated inclusive of VAT.

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income be received and the amount can be measured reliably.

Resources expended

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Furniture & School Equipment	-	10% straight line
Motor Vehicles	-	25% straight line
Equipment	-	10% straight line
Computer Equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

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

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

The charity is a company limited by guarantee without share capital; each member of the charity has undertaken to contribute an amount not exceeding £1 towards any deficit in the event of the charity being placed in liquidation. At the balance sheet date the charity had 10 members.

5. Donations and legacies

	Restricted Funds £	Total Funds 2023 £	Restricted Funds £	Total Funds 2022 £
Donations				
Donations	5,376	5,376	5,320	5,320

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
School fees	2,184,240	–	2,184,240
Pre-school fees	52,583	–	52,583
Registration fees	4,950	–	4,950
Music	39,940	–	39,940
After school care	24,992	–	24,992
Games/outings	26,636	–	26,636
Extras	140,898	–	140,898
PKC Grant	237,061	–	237,061
China Project	–	20,000	20,000
Erasmus	–	299	299
	<u>2,711,300</u>	<u>20,299</u>	<u>2,731,599</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
School fees	2,144,160	–	2,144,160
Pre-school fees	54,569	–	54,569
Registration fees	1,873	–	1,873
Music	43,575	–	43,575
After school care	13,746	–	13,746
Games/outings	13,101	–	13,101
Extras	94,482	–	94,482
PKC Grant	152,158	–	152,158
China Project	–	24,320	24,320
Erasmus	–	–	–
	<u>2,517,664</u>	<u>24,320</u>	<u>2,541,984</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>376</u>	<u>376</u>	<u>–</u>	<u>–</u>

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

8. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gain on disposal of tangible fixed assets held for charity's own use	500	500	–	–
Hire of facilities	6,365	6,365	5,300	5,300
Furlough scheme	–	–	1,722	1,722
	<u>6,865</u>	<u>6,865</u>	<u>7,022</u>	<u>7,022</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Scholastic expenditure	2,174,716	19,130	2,193,845
House & property expenditure	271,383	–	271,383
Support costs	487,865	192	488,058
	<u>2,933,964</u>	<u>19,322</u>	<u>2,953,286</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Scholastic expenditure	2,271,005	24,236	2,295,240
House & property expenditure	252,070	–	252,070
Support costs	378,283	–	378,284
	<u>2,901,358</u>	<u>24,236</u>	<u>2,925,594</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Scholastic expenditure	2,193,845	422,410	2,616,255	2,619,832
House & property expenditure	271,383	45,935	317,318	293,435
Governance costs	–	19,713	19,713	12,327
	<u>2,465,228</u>	<u>488,058</u>	<u>2,953,286</u>	<u>2,925,594</u>

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

11. Analysis of support costs

	Scholastic expenditure £	House and Property expenditure £	Total 2023 £	Total 2022 £
Premises	115,497	14,792	130,289	81,383
General office	48,559	3,406	51,965	12,322
Finance costs	36,232	4,640	40,872	20,727
Governance costs	17,473	2,238	19,711	12,327
Depreciation	41,784	–	41,784	43,893
Office costs	117,166	15,006	132,172	144,871
Travel costs	44,109	5,649	49,758	35,378
Professional costs	19,065	2,442	21,507	27,383
	<u>439,885</u>	<u>48,173</u>	<u>488,058</u>	<u>378,284</u>

12. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>2,678</u>	<u>2,678</u>	<u>–</u>	<u>–</u>

13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	109,939	111,484
Loss on disposal of tangible fixed assets	2,178	–
Operating lease rentals	<u>1,157</u>	<u>–</u>

14. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>8,190</u>	<u>7,500</u>

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	1,577,014	1,628,527
Social security costs	155,243	164,492
Employer contributions to pension plans	256,301	306,559
	<u>1,988,558</u>	<u>2,099,578</u>

The average head count of employees during the year was 57 (2022: 58).

The number of employees whose remuneration for the year fell within the following bands, were:

	2023	2022
	No.	No.
£60,000 to £69,999	2	1
£80,000 to £89,999	1	1
£90,000 to £99,999	—	1
	<u>3</u>	<u>3</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £251,725 (2022:£328,408).

16. Trustee remuneration and expenses

There were no trustees' remuneration or benefits for the year ended 31 July 2023 (2022: £nil).

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

17. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Computer equipment £	Total £
Cost						
At 1 Aug 2022	3,574,222	122,530	111,152	263,267	295,154	4,366,325
Additions	28,237	–	–	40,507	–	68,744
Disposals	–	–	–	(16,800)	–	(16,800)
At 31 Jul 2023	<u>3,602,459</u>	<u>122,530</u>	<u>111,152</u>	<u>286,974</u>	<u>295,154</u>	<u>4,418,269</u>
Depreciation						
At 1 Aug 2022	1,360,485	108,596	111,152	229,499	229,161	2,038,893
Charge for the year	68,155	4,846	–	11,548	25,390	109,939
Disposals	–	–	–	(9,520)	–	(9,520)
At 31 Jul 2023	<u>1,428,640</u>	<u>113,442</u>	<u>111,152</u>	<u>231,527</u>	<u>254,551</u>	<u>2,139,312</u>
Carrying amount						
At 31 Jul 2023	<u>2,173,819</u>	<u>9,088</u>	<u>–</u>	<u>55,447</u>	<u>40,603</u>	<u>2,278,957</u>
At 31 Jul 2022	<u>2,213,737</u>	<u>13,934</u>	<u>–</u>	<u>33,768</u>	<u>65,993</u>	<u>2,327,432</u>

Included in the above are leased assets at a total cost of £89,389 (2022: £98,067) on which £19,245 (2022: £53,010) of accumulated depreciation has been charged. The depreciation charge for the year was £14,641 (2022: £14,094).

18. Stocks

	2023	2022
	£	£
Raw materials and consumables	<u>1,300</u>	<u>1,300</u>

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

19. Debtors

	2023	2022
	£	£
Trade debtors	770,587	791,897
Prepayments and accrued income	10,439	12,535
Other debtors	2,915	1,168
	<u>783,941</u>	<u>805,600</u>

20. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	271,811	209,645
Trade creditors	40,359	54,796
Accruals and deferred income	852,820	912,782
Social security and other taxes	39,459	45,820
Obligations under finance leases and hire purchase contracts	13,772	21,562
Other creditors	88,177	83,695
	<u>1,306,398</u>	<u>1,328,300</u>

The finance lease liabilities are secured over the assets to which they relate.

21. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	498,537	518,900
Obligations under finance leases and hire purchase contracts	19,876	5,027
Pension provision	110,243	135,221
	<u>628,656</u>	<u>659,148</u>

The bank loan is secured by a standard security over the property of Craigclowan School and a bond and floating charge over all of the assets. Interest is charged at 2.35% above the base rate.

Fees received in advance are secured by a standard security over Craigclowan School and all of its assets.

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2023	2022
	£	£
Not later than 1 year	13,772	21,562
Later than 1 year and not later than 5 years	19,876	5,027
	<u>33,648</u>	<u>26,589</u>

23. Deferred income

	2023	2022
	£	£
At 1 August 2022	904,982	923,064
Amount released to income	(740,659)	(731,933)
Amount deferred in year	<u>678,357</u>	<u>713,851</u>
At 31 July 2023	<u>842,680</u>	<u>904,982</u>

Where the School receives fee income in advance, the proportion relating to future periods is deferred until it has entitlement to that income.

24. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £256,301 (2022: £306,559).

Craigclowan School Limited participates in the Independent School's Pension Scheme (ISPEN) and the Scottish Teachers' Superannuation Scheme (STSS).

a) ISPEN

The charitable company participates in the scheme, a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

24. Pensions and other post retirement benefits *(continued)*

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

From 1 September 2022 to 30 June 2032, deficit contributions are £2,687,000 per annum (payable monthly and increasing by 3% on each 1st September).

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 September 2019 to 31 April 2030, deficit contributions are £2,387,357 per annum (payable monthly and increasing by 3% on each 1st September).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the charitable company has agreed to a deficit funding arrangement the charitable company recognises a liability for this obligation. The amount recognised in the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

b) STSS

Past and present teaching staff are members of the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an increase in the employer contribution rate from 17.2% to 23.0% of pensionable pay from September 2019 and an anticipated yield of 9.4% employee contributions.

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

24. Pensions and other post retirement benefits *(continued)*

Craigclowan School Limited has no liability for other employers' obligations to the multi-employer scheme.

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.

The scheme is an unfunded multi-employer defined benefit scheme.

It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where Craigclowan School Limited is unable to identify its share of the underlying assets and liabilities of the scheme.

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.

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 transactional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

The charge included in the financial statements for the current year amounted to £230,309 (2022: £255,410), being the contribution payable by the school for the year.

Craigclowan School Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

25. Analysis of charitable funds

Unrestricted funds

	At 1 Aug 2022	Income	Expenditure	Transfers	At 31 Jul 2023
	£	£	£	£	£
Unrestricted funds	<u>1,307,644</u>	<u>2,718,541</u>	<u>(2,936,642)</u>	<u>(6,061)</u>	<u>1,083,482</u>

	At 1 Aug 2021	Income	Expenditure	Transfers	At 31 Jul 2022
	£	£	£	£	£
Unrestricted funds	<u>1,684,316</u>	<u>2,524,686</u>	<u>(2,901,358)</u>	<u>—</u>	<u>1,307,644</u>

Restricted funds

	At 1 Aug 2022	Income	Expenditure	Transfers	At 31 Jul 2023
	£	£	£	£	£
Charitable donations fund	9,878	5,376	—	—	15,254
PTA fund	13,026	—	(3,091)	—	9,935
Erasmus Programme	(129)	299	(6,231)	6,061	—
China Project	15,000	20,000	(10,000)	—	25,000
	<u>37,775</u>	<u>25,675</u>	<u>(19,322)</u>	<u>6,061</u>	<u>50,189</u>

	At 1 Aug 2021	Income	Expenditure	Transfers	At 31 Jul 2022
	£	£	£	£	£
Charitable donations fund	4,558	5,320	—	—	9,878
PTA fund	13,026	—	—	—	13,026
Erasmus Programme	14,787	—	(14,916)	—	(129)
China Project	—	24,320	(9,320)	—	15,000
	<u>32,371</u>	<u>29,640</u>	<u>(24,236)</u>	<u>—</u>	<u>37,775</u>

Charitable donations fund - represents income raised for the sole purpose of donating in its entirety to the specific charitable activity it was raised for.

PTA fund - represents income received from the PTA for defined purposes.

Erasmus Programme fund - represents funding received from the British Council under the EUREKA! Past, Present and Future! project of the Erasmus Programme.

China Project - represents income received from a nursery school in China who pay an annual licence fee to use the Craigclowan brand.

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

26. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	2,278,957	–	2,278,957
Current assets	739,579	50,189	789,768
Creditors less than 1 year	(1,306,398)	–	(1,306,398)
Creditors greater than 1 year	(628,656)	–	(628,656)
Net assets	<u>1,083,482</u>	<u>50,189</u>	<u>1,133,671</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	2,327,432	–	2,327,432
Current assets	967,660	37,775	1,005,435
Creditors less than 1 year	(1,328,300)	–	(1,328,300)
Creditors greater than 1 year	(659,148)	–	(659,148)
Net assets	<u>1,307,644</u>	<u>37,775</u>	<u>1,345,419</u>

27. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2023 £	2022 £
Financial assets measured at fair value through income and expenditure		
Financial assets measured at fair value through income and expenditure	<u>789,768</u>	<u>1,005,435</u>
Financial liabilities measured at fair value through income and expenditure		
Financial liabilities measured at fair value through income and expenditure	<u>1,935,054</u>	<u>1,987,488</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

28. Analysis of changes in net debt

	At 1 Aug 2022	Cash flows	At 31 Jul 2023
	£	£	£
Cash at bank and in hand	198,535	(194,008)	4,527
Debt due within one year	(231,207)	(54,376)	(285,583)
Debt due after one year	(523,927)	5,514	(518,413)
	<u>(556,599)</u>	<u>(242,870)</u>	<u>(799,469)</u>

29. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	6,585	4,826
Later than 1 year and not later than 5 years	17,015	15,683
	<u>23,600</u>	<u>20,509</u>

30. Related parties

Two Governors, M D Bell and G E Gordon, had children attending the school during the year in accordance with the School's normal terms and conditions.

An amount of £10,000 was paid to M E Beale, Governor, for consultancy services in relation to the China Project. This amount was reimbursed to Craigclowan by the nursery in China.

There were no other related party transactions.