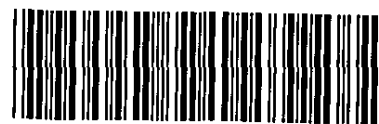


REGISTERED COMPANY NUMBER: SC023577 (Scotland)
REGISTERED CHARITY NUMBER: SC009352

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 August 2013
for
St Mary's School, Melrose**

Douglas Home & Co Ltd
Chartered Accountants & Registered Auditors
47-49 The Square
Kelso
Roxburghshire
TD5 7HW

THURSDAY



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COMPANIES HOUSE

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for the Year Ended 31 August 2013**

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**Report of the Trustees
for the Year Ended 31 August 2013**

The School Governors who are also the trustees and directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year to 31 August 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

St. Mary's School, Melrose is a charitable company founded in 1945 with the liability of its members limited to £1 each by guarantee.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC023577 (Scotland)

Registered Charity number

SC009352

Registered office

Abbey Park
Melrose
Roxburghshire
TD6 9LN

Trustees

G T G Baird	
L A C Ashby	
Lord Abernethy	- resigned 4/12/12
D Sturrock	
D Younger	- resigned 4/12/12
C D Grant	
E L Woods	
J Robertson	
C B Godfrey-Faussett	
P Murray	
A Armstrong	
J Howell	
S Edwardson	
A Wright	
N J P Pollock	- appointed 4/12/12

Company Secretary

F Nicholson

Auditors

Douglas Home & Co Ltd
Chartered Accountants & Registered Auditors
47-49 The Square
Kelso
Roxburghshire
TD5 7HW

Bankers

The Royal Bank of Scotland
High Street
Melrose
TD6 9PF

**Report of the Trustees
for the Year Ended 31 August 2013**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Governing Body

The Board of Governors (Trustees) determine the general policy of the School. The day to day management of the School is delegated to the Headmaster. The membership of the Board during the year is set out below. All Trustees served throughout the year except as stated.

C. B. Godfrey-Faussett, C. D. Grant and E. L. Woods retire by rotation at the A.G.M. and, being eligible, C. B. Godfrey-Faussett and C. D. Grant offer themselves for re-election. A. Armstrong has also advised the board that she will retire at the forthcoming A.G.M.

The company has no share capital and therefore no Trustee holds any shares but each, as a member, has guaranteed to pay a sum of £1 if called upon. Trustees are elected in accordance with the terms set out in the Articles of Association. Trustees are elected for a three year term for a maximum of twenty years.

Recruitment, appointment and development of new trustees

When vacancies arise Trustees are very carefully selected on the basis of the benefit that their experience can bring to the Board. The Board will strive to ensure that a wide mix of skills and experience exists within the group. Trustees regularly attend training courses and seminars run by bodies such as the Scottish Council of Independent Schools to ensure knowledge within the group is both developed and kept up to date.

The school continues to advertise within its Parent Body for Parent Governors as required. In the on-going economic climate, the Board of Trustees of St Mary's School, Melrose recognises that there will be continued challenges for the school and its parent body. We are confident that the school is strongly placed to weather this storm and to provide help where it is needed. The school will be governed prudently and wisely to ensure that St Mary's stands strong and ready to embrace the future whatever it holds in store for us all.

Risk management

The Board continues to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor steps which can be taken by which those risks already identified by the Trustees can best be mitigated.

OBJECTIVES AND ACTIVITIES

Objectives and aims

In accordance with the Charitable Company's Memorandum and Articles of Association, the object of the School is the advancement of education.

Principle activities

The company operates an independent preparatory school.

**Report of the Trustees
for the Year Ended 31 August 2013**

ACHIEVEMENT AND PERFORMANCE

Review of activities and financial position

A surplus of £144,350 was achieved during the year, being £128,520 to the general fund, and £15,830 to the restricted fund. The Governors are delighted that we have been able to build on the progress made last year, and the staff restructuring recently implemented has been justified by these results. By being prudent and cautious in the current national and regional economic climate this progress has enabled the Governors to recognise the enormous effort put in by the staff, both teaching and non-teaching, by awarding pay increases for the 2013-14 academic year, after a pay freeze over the last 2 years. It has also enabled the Governors to increase the number of bursary awards. As a result of this the Board will have to carefully manage the School finances in the year ahead. Class and boarding fees amounted to £1,422,733 after discounts of £130,782 and bursaries of £226,491 (2012 £1,325,465 after discounts of £91,915 and bursaries of £186,131).

The value of each class of discount was as follows:

	£
Bursaries Awarded 2013	226,491
Discounts Awarded 2013	
Staff	55,404
Sibling	73,406
Other	1,972
Total discounts 2013	130,782

This is shown in terms of the number of pupils receiving assistance was as follows:

	No. of Pupils
Bursary only	26
Discount only	34
Bursary & discounts	14
Total pupils receiving assistance	74

The curriculum continues to be well balanced and appropriately rigorous to allow parents a wider choice of senior schools for their children beyond St. Mary's.

Academic performance of the leaving pupils was very strong indeed with two pupils gaining Academic Scholarships to Fettes and Glenalmond, whilst all other ten pupils passed Common Entrance and successfully gained a place at their senior school of choice. Within the class, one pupil gained a Music Scholarship to Kilgraston, one an Art Exhibition award to Glenalmond, and one a Sports Scholarship to Loretto, which lends weight to the view that St. Mary's is encouraging and facilitating excellence in a wide range of subject areas.

The retirement of the vastly experienced and capable Head of Maths has created an opportunity for a suitably qualified person to come and take Mathematics forward. The School considers itself very fortunate to have secured the services of a current parent and self-employed science consultant to take over the teaching of mathematics. The new appointment, who is a Doctor of Natural Science, will teach five days a week, and will complete an Open University PGCE through the University of Buckingham throughout the year.

A member of the classroom assistant team and learning support department has also increased his commitment to the school by accepting the role of Housemaster and PE teacher. This employee will also complete a PGCE through the University of Buckingham whilst carrying out his various roles for the School during the academic year ahead. The new Housemaster will be supported in the boarding house by part-time Matron as well as two evening Tutors who will continue to act as boarding house tutors one night each per week.

Extensive refurbishment of the second floor of the boarding house was completed over the summer holidays. This refurbishment saw the two bedsits and boarders' common room being replaced by a self-contained flat with kitchen, living room area and ensuite bedroom. The boarders' common room has been relocated to the ground floor where the old school office existed before the completion of the Hamilton Building in 2010. This room also underwent some refurbishment with new carpet being laid, new curtains being purchased, a new television being installed and the room being painted.

**Report of the Trustees
for the Year Ended 31 August 2013**

ACHIEVEMENT AND PERFORMANCE

Review of activities and financial position

Kindergarten was also given a complete redecoration over the summer holidays and has a fresh and up to date look about it.

Over the year the total cost of these refurbishments amounted to £31,500.

The school's IT software was updated to current standards and a rolling programme of maintenance and upgrade is now in place to ensure the provision meets the demands of an ever evolving IT curriculum.

The busy extra-curricular schedule is geared to providing all pupils with the opportunity to play competitive sport against other schools. All pupils available for selection represented a team in each of the sports included in their games timetable. The arts provided pupils with the opportunity to perform on the stage either in a poetry competition, lecture competition, as part of a choir, orchestra or in a musical or acting context. School productions proved hugely popular and money for various charities was raised throughout the production performances.

The school was well supported by The Friends of St. Mary's and the FP club. The Friends were instrumental in the relocation of the school library to the Hamilton Building and hosted a number of successful fund raising ventures that were well attended and supported. The FP club hosted a fabulous gathering at the cricket pavilion during Melrose 7s whilst Aberdeen Asset Management used the Hamilton Building to entertain some of their corporate guests.

The school opened its doors to the general public on a number of occasions throughout the year. Two such occasions were for the very popular Farr Out Challenge attended by teams from 12 local primary schools and 4 independent schools. The second being for the hugely successful Bang Goes the Borders Science Festival during which the school had nearly 700 visitors.

The School is in good heart and the surplus achieved this year will allow for a rolling programme of maintenance and continued refurbishment.

Fixed assets

The Trustees are of the opinion that, in aggregate, the market value of land and buildings is no less than the book value of the assets.

FINANCIAL REVIEW

Reserves policy

The school continues to meet its day to day working capital requirements by means of a bank overdraft facility agreed periodically with the company's bankers. This year the School was able to significantly reduce the level of overdraft required. In recent years surpluses allowed the school to start building a cash reserve to assist in meeting objectives in developing the school. The policy remains to strengthen reserves where possible although this is impacted by the economic environment at the present time.

Development of the fabric of the school will continue to be a work in progress and various elements of refurbishment which are always going to be an ongoing requirement are constantly under review.

SCHOOL DEVELOPMENT PLAN

The School's "Guiding Principles" still very much underpin the way forward in all-round educational terms though specific focus is now on academic standards and attainment throughout the pre-prep and prep school. The review of schemes of work and assessment throughout the lower, middle and upper parts of the school which commenced last year are on-going with a team of expert Governors continuing to lend their knowledge to the process.

St Mary's continues to take its pastoral responsibilities very seriously and continually works to improve facilities for all its pupils and in particular the on-going strengthening of the boarding offering. This continues to be an area of particular focus for Mr Harvey and his wife Marnie.

**Report of the Trustees
for the Year Ended 31 August 2013**

COMMUNITY PARTNERSHIPS AND SHARED BENEFIT

The School is very much part of the independent school network both north and south of the border. Regular visits to various schools both for staff training purposes or educational and extra-curricular activities allows St. Mary's to maintain close links with other schools in the sector. Equally, visits from independent prep schools and senior schools are common place and enhance the valued links the School has with other independent schools.

St. Mary's continues to increase and strengthen its involvement with schools from the state sector. Opportunities are provided for local primary schools to be involved in leadership challenge activities, choir concerts, music lessons and drama productions. Opportunities to link with Melrose Primary School whether it be for sports fixture or coaching sessions with our staff have allowed a developing rapport between pupils and staff from both schools and the sound working relationship established between the two heads continues.

Music Societies, Judo clubs, Ballet Tuition, touring rugby teams playing fixtures against local club sides, various fund raising events and The Borders Book festival have all used the facilities at St Mary's School over the last year and we continue to build on our friendship with our neighbours Melrose RFC in offering them assistance and facilities for their annual 7s tournament as well as overspill car parking and catering opportunities when required.

Public events such as the very successful Science initiative "Bang Goes The Borders", due to be held again in September 2013, continue to open the School to many who would not ordinarily visit the campus. Many children and their parents will benefit from a very enjoyable and educational day when various senior schools, universities and science based businesses provide workshops, demonstrations and talks to engage and enthuse the young people who will attend them. Joint coaching and fixture ventures have proved highly successful with Melrose Primary School whose pupils also attend music tuition opportunities and provide pupils for joint choir ventures for events such as the Christmas Charity Concert in Melrose Parish Church.

Bursary allocation remains high as the School recognises the need to support existing families and the absolute benefit to others who would not necessarily be able to afford an independent prep school education for their children.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

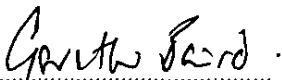
AUDITORS

The auditors, Douglas Home & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Report of the Trustees
for the Year Ended 31 August 2013**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



G T G Baird - Trustee

Date: 25.11.13

**Report of the Independent Auditors to the Trustees and Members of
St Mary's School, Melrose**

We have audited the financial statements of St Mary's School, Melrose for the year ended 31 August 2013 on pages nine to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees (who are also the directors of the charitable company 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.

We have been appointed as auditors 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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Trustees and Members of
St Mary's School, Melrose**

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records 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 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 exemption in preparing the Report of the Trustees.

Douglas Home & Co Ltd

Lesley Mark FCA DChA (Senior Statutory Auditor)

for and on behalf of Douglas Home & Co Ltd

Chartered Accountants & Registered Auditors

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

47-49 The Square

Kelso

Roxburghshire

TD5 7HW

Date: *25 November 2013*

**Statement of Financial Activities
for the Year Ended 31 August 2013**

				Year Ended 31/8/13	Period 1/8/11 to 31/8/12
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	7,781	16,062	23,843	24,125
Investment income	3	266	-	266	2,333
Incoming resources from charitable activities					
School fees receivable	4	1,443,082	-	1,443,082	1,338,490
Other incoming resources		<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Total incoming resources		1,453,129	16,062	1,469,191	1,364,948
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	22,927	-	22,927	26,256
Charitable activities					
School operating costs	6	1,297,241	7,284	1,304,525	1,306,457
Governance costs	9	<u>10,730</u>	<u>-</u>	<u>10,730</u>	<u>11,685</u>
Total resources expended		1,330,898	7,284	1,338,182	1,344,398
NET INCOMING RESOURCES BEFORE TRANSFERS					
		122,231	8,778	131,009	20,550
Gross transfers between funds	21	<u>5,669</u>	<u>(5,669)</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		127,900	3,109	131,009	20,550
Other recognised gains/losses					
Gains/losses on investment assets		<u>620</u>	<u>12,721</u>	<u>13,341</u>	<u>292</u>
Net movement in funds		128,520	15,830	144,350	20,842
RECONCILIATION OF FUNDS					
Total funds brought forward		2,794,847	57,880	2,852,727	2,831,885
TOTAL FUNDS CARRIED FORWARD		<u>2,923,367</u>	<u>73,710</u>	<u>2,997,077</u>	<u>2,852,727</u>

The notes form part of these financial statements

Balance Sheet
At 31 August 2013

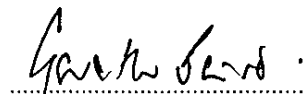
	Notes	31/8/13 £	31/8/12 £
FIXED ASSETS			
Tangible assets	13	3,243,194	3,256,951
Investments	14	<u>76,021</u>	<u>57,787</u>
		3,319,215	3,314,738
 CURRENT ASSETS			
Stocks		739	739
Debtors	15	26,018	34,374
Cash at bank and in hand		<u>146,584</u>	<u>6,677</u>
		173,341	41,790
 CREDITORS			
Amounts falling due within one year	16	<u>(91,467)</u>	<u>(91,242)</u>
 NET CURRENT ASSETS/(LIABILITIES)		<u>81,874</u>	<u>(49,452)</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		3,401,089	3,265,286
 CREDITORS			
Amounts falling due after more than one year	17	<u>(404,012)</u>	<u>(412,559)</u>
 NET ASSETS		<u><u>2,997,077</u></u>	<u><u>2,852,727</u></u>
 FUNDS	21		
Unrestricted funds:			
General fund		2,923,367	2,794,847
Restricted funds:			
Bang Goes the Borders		438	1,668
Farr-Out Challenge Fund		949	1,610
Bursary Fund		<u>72,323</u>	<u>54,602</u>
		<u>73,710</u>	<u>57,880</u>
 TOTAL FUNDS		<u><u>2,997,077</u></u>	<u><u>2,852,727</u></u>

The notes form part of these financial statements

Balance Sheet - continued
At 31 August 2013

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on25.11.13..... and were signed on its behalf by:



G T G Baird -Trustee

**Notes to the Financial Statements
for the Year Ended 31 August 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fees and meal charges

Fees and meal charges are the total amount receivable by the charity in respect of school fees, outlays and meal charges and are inclusive of any VAT suffered on outlays. This is net of fee discounts and bursaries granted.

Resources expended

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the fulfilment of the charity's objectives (direct charitable);
- expenditure incurred directly in the effort to raise voluntary contributions (fund-raising and publicity); and
- expenditure incurred in the management and administration of the charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Heritable land and buildings	- Cost less 50% residual value over 40yrs
Improvements to property	- 5% on cost
Plant & equipment	- 25% on cost
Fixtures & furniture	- 10% on cost and 10% on reducing balance
Motor vehicles	- 25% on cost

Included in Fixtures and Furniture is a piano gifted to the school. No depreciation has been provided on this instrument as in the opinion of the Governors the asset life is so long and the residual value so high that any charge would be immaterial.

Investments

Investments are included within the accounts at market value. Realised gains or losses arising from disposals of investments and unrealised gains and losses are added or deducted from the appropriate fund.

Stocks

Stock is stated at the lower of cost and net realisable value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

1. ACCOUNTING POLICIES - continued**Fund accounting**

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity and spent at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure for those purposes is charged to the fund to which it relates. Once the fund has been expensed on capital items a transfer is made to general fund.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The pension costs charged against profits represent the amount of the contributions payable to the teacher's superannuation scheme in respect of the accounting period.

2. VOLUNTARY INCOME

	Year Ended 31/8/13	Period 1/8/11 to 31/8/12
	£	£
Grants and donations	<u>23,843</u>	<u>24,125</u>

3. INVESTMENT INCOME

	Year Ended 31/8/13	Period 1/8/11 to 31/8/12
	£	£
Deposit account interest	2	4
Dividends	<u>264</u>	<u>2,329</u>
	<u>266</u>	<u>2,333</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2013**

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		Year Ended 31/8/13	Period 1/8/11 to 31/8/12
	Activity	£	£
Class and Boarding Fees	School fees receivable	1,349,556	1,244,126
Kindergarten Fees	School fees receivable	73,177	81,339
Enrolment Registration Fees	School fees receivable	2,000	1,700
Sundry Receipts	School fees receivable	<u>18,349</u>	<u>11,325</u>
		<u>1,443,082</u>	<u>1,338,490</u>

School fees receivable

	2013	2012
	£	£
Gross Fees	1,780,006	1,603,511
Discounts	(130,782)	(91,915)
Bursaries	<u>(226,491)</u>	<u>(186,131)</u>
	<u>1,422,733</u>	<u>1,325,465</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	Year Ended 31/8/13	Period 1/8/11 to 31/8/12
	£	£
Interest payable and similar charges	<u>22,927</u>	<u>26,256</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7)	Support costs (See note 8)	Totals
	£	£	£
School operating costs	<u>1,207,179</u>	<u>97,346</u>	<u>1,304,525</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year Ended 31/8/13	Period 1/8/11 to 31/8/12
	£	£
Staff costs	852,158	913,705
Hire of plant and machinery	10,042	8,938
Rent, rates and insurance	54,624	45,580
Repairs to property	34,885	12,929
Light & heat	49,248	51,239
Catering	63,697	52,077
Books and class materials	16,480	9,867
Sundries	14,322	20,152
Upkeep grounds & sports equipment	7,222	26,411
Minibus expenses	9,451	9,855
Prizes	3,422	2,869
Laundry, cleaning & chemist	5,684	6,535
Provision for doubtful debts	8,325	(8,330)
Depreciation	77,619	78,208
	<u>1,207,179</u>	<u>1,230,035</u>

8. SUPPORT COSTS

	Management £
Governance costs	5,450
School operating costs	<u>97,346</u>
	<u>102,796</u>

Support costs, included in the above, are as follows:

	Governance costs	School operating costs	Total activities	Total activities
	£	£	£	£
Wages	5,450	28,508	33,958	39,317
Computer software and maintenance	-	17,591	17,591	14,836
Printing, stationery and telephone	-	37,460	37,460	22,654
Marketing	-	3,501	3,501	3,439
Professional fees	-	10,286	10,286	1,783
	<u>5,450</u>	<u>97,346</u>	<u>102,796</u>	<u>82,029</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

9. GOVERNANCE COSTS

	Year Ended 31/8/13 £	Period 1/8/11 to 31/8/12 £
Auditors' remuneration	2,712	2,586
Auditors' remuneration for non-audit work	2,568	3,492
Support costs	<u>5,450</u>	<u>5,607</u>
	<u>10,730</u>	<u>11,685</u>

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Year Ended 31/8/13 £	Period 1/8/11 to 31/8/12 £
Auditors' remuneration	2,712	2,586
Depreciation - owned assets	65,997	78,208
Depreciation - assets on hire purchase contracts and finance leases	11,622	-
Hire of plant and machinery	10,042	8,938
Surplus on disposal of fixed asset	<u>(2,000)</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2013 nor for the period ended 31 August 2012.

The School purchased insurance to indemnify the Governors which was included as part of the public liability premium.

Five Governors had children in attendance at the School during the year (2012 five Governors). One Governor received bursary assistance valued at £7,394 (2012 £11,092), all others paid full rates.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2013, nor for the period ended 31 August 2012.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

12. STAFF COSTS

	Year Ended 31/8/13 £	Period 1/8/11 to 31/8/12 £
Wages and salaries	768,211	822,216
Social security costs	54,549	61,598
Other pension costs	<u>63,356</u>	<u>69,208</u>
	<u>886,116</u>	<u>953,022</u>

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

	Year Ended 31/8/13	Period 1/8/11 to 31/8/12
Teaching staff	30	31
Admin/Grounds	4	4
Catering/Cleaning	8	11
Gap Year Students	<u>3</u>	<u>-</u>
	<u>45</u>	<u>46</u>

During the year no employee received a salary or wage greater than £60,000.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

13. TANGIBLE FIXED ASSETS

	Heritable land and buildings £	Improvements to property £	Plant & equipment £
COST			
At 1 September 2012	3,061,847	202,193	191,557
Additions	-	-	8,615
Disposals	-	-	-
At 31 August 2013	<u>3,061,847</u>	<u>202,193</u>	<u>200,172</u>
DEPRECIATION			
At 1 September 2012	93,088	97,050	184,013
Charge for year	29,677	9,847	7,290
Eliminated on disposal	-	-	-
At 31 August 2013	<u>122,765</u>	<u>106,897</u>	<u>191,303</u>
NET BOOK VALUE			
At 31 August 2013	<u>2,939,082</u>	<u>95,296</u>	<u>8,869</u>
At 31 August 2012	<u>2,968,759</u>	<u>105,143</u>	<u>7,544</u>
	Fixtures & furniture £	Motor vehicles £	Totals £
COST			
At 1 September 2012	357,942	21,526	3,835,065
Additions	2,800	52,447	63,862
Disposals	-	(21,526)	(21,526)
At 31 August 2013	<u>360,742</u>	<u>52,447</u>	<u>3,877,401</u>
DEPRECIATION			
At 1 September 2012	182,437	21,526	578,114
Charge for year	17,693	13,112	77,619
Eliminated on disposal	-	(21,526)	(21,526)
At 31 August 2013	<u>200,130</u>	<u>13,112</u>	<u>634,207</u>
NET BOOK VALUE			
At 31 August 2013	<u>160,612</u>	<u>39,335</u>	<u>3,243,194</u>
At 31 August 2012	<u>175,505</u>	-	<u>3,256,951</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

13. TANGIBLE FIXED ASSETS - continued

The figures stated above for cost or valuation include a valuation as follows:

	Heritable Land and Buildings	
	2013 £	2012 £
At Cost	2,664,847	2,664,847
At 1991 Valuation	<u>397,000</u>	<u>397,000</u>
	<u>3,061,847</u>	<u>3,061,847</u>

The heritable land and buildings were valued on 31st July, 1991 by Lorne Brown Associates, Chartered Surveyors, on an open market basis. The charity adopted the transitional provisions of Financial Reporting Standard 15 and this valuation has not therefore been updated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
Additions	<u>46,489</u>
DEPRECIATION	
Charge for year	<u>11,622</u>
NET BOOK VALUE	
At 31 August 2013	<u>34,867</u>
At 31 August 2012	<u>-</u>

14. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 September 2012	57,680	107	57,787
Additions	5,000	-	5,000
Disposals	-	(107)	(107)
Revaluations	<u>13,341</u>	<u>-</u>	<u>13,341</u>
At 31 August 2013	<u>76,021</u>	<u>-</u>	<u>76,021</u>
NET BOOK VALUE			
At 31 August 2013	<u>76,021</u>	<u>-</u>	<u>76,021</u>
At 31 August 2012	<u>57,680</u>	<u>107</u>	<u>57,787</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

14. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/13	31/8/12
	£	£
Trade debtors	17,754	24,882
Other debtors	5,700	-
Prepayments and accrued income	<u>2,564</u>	<u>9,492</u>
	<u>26,018</u>	<u>34,374</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/13	31/8/12
	£	£
Bank loans and overdrafts	33,804	44,229
Hire purchase	7,725	-
Trade creditors	19,333	25,560
Social security and other taxes	14,611	15,315
Accruals and deferred income	<u>15,994</u>	<u>6,138</u>
	<u>91,467</u>	<u>91,242</u>

The bank loan and any overdraft is secured by a standard security over the school buildings and land and by a bond and floating charge over all of the company's assets. The hire purchase liabilities are secured on the assets to which they relate.

The school meets its day to day working capital requirements at key points during the year, through an overdraft facility which is repayable on demand. The school expects to operate within the facility currently agreed and within that expected to be agreed periodically with the company's bankers. These views are based on the company's plans and on discussions held by the school with its bankers.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/8/13	31/8/12
	£	£
Bank loans - 2-5 years	149,631	146,720
Bank loans more 5 yr by instal	230,201	265,839
Hire purchase	<u>24,180</u>	<u>-</u>
	<u>404,012</u>	<u>412,559</u>

Amounts falling due in more than five years:

Repayable by instalments:		
Bank loans more 5 yr by instal	<u>230,201</u>	<u>265,839</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

18. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31/8/13 £	31/8/12 £
Expiring:		
Within one year	2,458	7,554
Between one and five years	<u>7,211</u>	<u>6,861</u>
	<u>9,669</u>	<u>14,415</u>

19. PENSION COMMITMENTS

The Charity participates in a multi employer defined benefit scheme, Scottish Teachers Superannuation Scheme, for its teaching staff which in common with other Government pension schemes is unfunded. The school is unable to identify its share of the underlying liabilities of the scheme and therefore, in accordance with the Charities SORP 2005 (revised May 2008), accounts for the contributions of the scheme as if it were a defined contribution scheme.

The latest actuarial valuation of the scheme was carried out as at 31 March 2009. The results of this valuation were rolled forward to give a liability of £23.6 billion at 31st March 2012.

As the scheme is unfunded there can be no surplus or shortfall. Pension contributions rates will be set by the schemes actuary at a level to meet the cost of pensions as they accrue.

The total pension costs for teaching staff in the year was £63,356 (2012: £69,208).

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31/8/13 Total funds £	31/8/12 Total funds £
Fixed assets	3,243,194	-	3,243,194	3,256,951
Investments	4,470	71,551	76,021	57,787
Current assets	171,182	2,159	173,341	41,790
Current liabilities	(91,467)	-	(91,467)	(91,242)
Long term liabilities	<u>(404,012)</u>	<u>-</u>	<u>(404,012)</u>	<u>(412,559)</u>
	<u>2,923,367</u>	<u>73,710</u>	<u>2,997,077</u>	<u>2,852,727</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

21. MOVEMENT IN FUNDS

	At 1/9/12 £	Net movement in funds £	Transfers between funds £	At 31/8/13 £
Unrestricted funds				
General fund	2,794,847	122,851	5,669	2,923,367
Restricted funds				
Bang Goes the Borders	1,668	(1,230)	-	438
Farr-Out Challenge Fund	1,610	(661)	-	949
Bursary Fund	54,602	12,721	5,000	72,323
Designated Donation	-	10,669	(10,669)	-
	<u>57,880</u>	<u>21,499</u>	<u>(5,669)</u>	<u>73,710</u>
TOTAL FUNDS	<u>2,852,727</u>	<u>144,350</u>	<u>-</u>	<u>2,997,077</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,453,129	(1,330,898)	620	122,851
Restricted funds				
Bang Goes the Borders	2,000	(3,230)	-	(1,230)
Bursary Fund	-	-	12,721	12,721
Designated Donation	14,062	(3,393)	-	10,669
Farr-Out Challenge Fund	-	(661)	-	(661)
	<u>16,062</u>	<u>(7,284)</u>	<u>12,721</u>	<u>21,499</u>
TOTAL FUNDS	<u>1,469,191</u>	<u>(1,338,182)</u>	<u>13,341</u>	<u>144,350</u>

Unrealised gains of £168,817 (2012 - £168,817) for tangible fixed assets are included in the General Fund above.

Designated Donations are donations received for a specific purpose, either to meet revenue expenditure or provide fixed assets for use by the School. These funds have been expensed on the items specified by the donor, and transferred to general funds where items are of a capital nature and have no further conditions attached.

The Bursary Fund (formerly the Bursary & Redevelopment Appeal Fund) is being grown for future sponsorship of pupils qualifying for support. The balance on the fund at the year-end comprises investments £71,551 and cash at bank £772.

The Farr out challenge fund was set up to sponsor inter schools competitions events. The balance on the fund at the year end comprises of £949 cash at bank.

Bang Goes the Borders fund was set up to host a science initiative day which is held annually. The first event was held in May 2011 and is growing in strength every year. The balance on the fund at the year end comprises of £438 cash at bank.