

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

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2023  
FOR  
ST. MARY'S SCHOOL, MELROSE**

JRW  
Chartered Accountants &  
Statutory Auditor  
19 Buccleuch Street  
Hawick  
Roxburghshire  
TD9 0HL

**ST. MARY'S SCHOOL, MELROSE**

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FOR THE YEAR ENDED 31ST AUGUST 2023**

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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

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 ended 31st August 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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) (effective 1 January 2019).

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

**Objectives and**

**aims**

In accordance with 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.

**School development plan**

The School's core values of caring, communication, curriculum, confidence, connectivity, and curiosity underpin daily life at St. Mary's. These values are central to St. Mary's education and are lived out every day in the busy routines of pupils and staff. The review of schemes of work and assessment throughout the lower, middle, and upper parts of the School are on-going with the Headmaster, Director of Studies and Class Teachers from pre-prep through to Form 8 reporting to the Education Committee of the Board of

Governors. The Education Committee serves the function of channelling ideas from pupils and staff to the Board of Governors and the presence of three Governors on this Committee offers a regular overview. The Committee meets on a termly basis to discuss key agenda items such as, Health and Safety in the classroom; Child Protection and GDPR; Innovative Classroom practice; Access to learning, and the campus.

Pupils at St. Mary's enjoy learning and parents and pupils have been positive about their experiences both within the academic and wider life of the School. The E c o Committee, Library Group, Boarding Committee, and Rights Respecting School Award Committee are all examples of forums where the pupil voice makes a significant difference to life at St. Mary's. In

addition, staff are active in seeking the opinions of pupils in their subject areas and acting upon feedback. Any concerns raised are taken seriously and open conversation amongst pupils, parents and staff is encouraged and valued.

Monitoring of Health and Wellbeing continues to be of prime importance, with Form Tutors creating opportunities for sharing feelings and exploring emotions and anxieties. We have the ongoing input of one of our Governors who works professionally and expertly in the field of counselling and psychology. Weekly assemblies offer an opportunity for the whole school to gather with Headmaster, staff and pupil-led assemblies taking place, as well as a range of invited guests

**Community partnerships and shared benefit**

The School is very much part of the independent school network north and south of the border. Visits to various schools, both for staff training or educational and extra-curricular activities, allow St. Mary's to maintain close links with other schools. Equally, visits from independent prep schools and senior schools are commonplace and enhance the valued links the School has with other independent schools. Heads and other representatives from senior schools visit St. Mary's throughout the School year to deliver an Assembly address, afterwards meeting with pupils, staff and parents.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

This academic year saw the full return, post Covid restrictions, of all activities to the curriculum. Squad Singing was held in October, and we were delighted to have a full congregation at our annual Carol Service in Melrose Parish Church in December. A full sporting fixture calendar returned with pupils representing the school home and away, and at a local and national representative level. Three school shows were produced in the year with F5 and 6 performing 'Elf Jr' at Christmas, Form 3 and 4 starring in 'Sleeping Beauty' in February and Form 7 and 8 staging a wonderful performance of 'Oliver Jr' in March. Pre-Prep were able to hold a Christmas concert for their parents and Reception and Upper Kindergarten's

Nativity play  
returned.

We were  
thrilled to once  
again welcome  
extended  
friends and  
family to our  
'Kith 'n' Kin'  
morning in  
June, another  
first since  
Covid-19. As  
well as a  
Summer  
Concert and  
Sports' Days  
for all pupils,  
the school  
hosted three  
prizegiving  
ceremonies, for  
the Pre-Prep,  
Middle School  
and Upper  
School. Our  
new format for  
the end of year  
celebrations  
were  
well-received  
by pupils,  
parents and  
staff alike.

St. Mary's is  
proud of its  
place within  
the local  
community  
and constantly  
strives to work  
with partners  
to provide  
educational  
opportunities  
for all and  
integrating into  
local  
community  
life. Many  
pupils  
participated in  
Melrose  
Festival week,  
representing  
the school by  
singing at the  
Crowning  
Ceremony, and  
riding in the  
junior rideout.

Much success was celebrated by our young equestrians, competing locally and further afield, several of whom qualified for the British Championships in October 2023. Many children play for their rugby clubs in Melrose, Selkirk, Lauder and Jedburgh and the local Fjordhus Reivers hockey club is very well attended by St. Mary's pupils. The relationships between these clubs and the school are positive and mutually beneficial. Links with local brass bands saw pupils performing with Jedburgh Instrumental Band and Galashiels Town Band, including participation in Scottish Borders Brass Band workshops, contests and the National Youth Brass Band Championships of Scotland.

St. Mary's has closer links with the community than ever before. By

continuing to increase and strengthen its involvement with schools, opportunities are provided for local schools to be involved in leadership challenge activities, choir concerts, music lessons and drama productions. Opportunities to link with Melrose Primary School and Earlston High School, whether for sports fixtures or coaching sessions, have allowed a rapport to develop between pupils and staff.

These community links have also led to St Mary's offering work experience opportunities to senior school pupils from Peebles, Selkirk, Earlston, Hawick High Schools and Galashiels Academy. Links with Borders College enable us to offer placements to students within Kindergarten and Reception Class to complete their HNC Early Years courses.

A planned  
return of Bang  
Goes the  
Borders, our  
community  
STEM festival  
that is open to  
the public  
unfortunately  
was cancelled  
following the  
passing of HM  
Queen  
Elizabeth  
II. The event  
was  
re-scheduled  
for Saturday  
16th  
September  
2023.

Bursary  
allocation  
remains high,  
the School  
recognises the  
need to support  
families and  
the benefit that  
bursarial  
support offers  
to families,  
providing an  
independent  
preparatory  
school  
education for  
their children.  
All bursary  
applications  
are subject to  
due diligence  
and require  
annual  
re-application.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**STRATEGIC REPORT**

**Achievement and performance**

The Trustees would like to thank all St Mary's staff for their hard work and dedication throughout the academic year.

The curriculum continues to be well balanced and appropriately rigorous, presenting parents a wider choice of senior schools for their children. The school prides itself on its academic record and achievements within the disciplines of sport, performing arts and the creative arts. School examination results are measured against expectations from GL Assessment Cognitive Ability Testing (CAT) that takes place for each pupil in September each year. Achieved results indicate all pupils achieve above expected levels at Common Entrance (CE). This year our Form 8 leavers earned a total of 6 academic scholarships, 3 sports scholarships, a drama scholarship and 3 sports exhibitions. All Form 8 pupils passed Common Entrance and gained entrance to their chosen senior school.

Data from the Accelerated Reader initiative continues

to give us a detailed overview of pupils' reading engagement and progress, which informs curriculum-planning and specific small-group or individual attention. Developing the school library has allowed for enhanced visibility of reading achievement and associated initiatives.

During the year we assembled a portfolio for our Reading Schools Award application. A targeted collection of evidence over the coming year will complete this portfolio and see us on our way from Core to Silver level. Participation in the Reading Schools framework has enabled us to establish a Library Committee, providing pupil input to the development of our Library resources.

In this year's UK Mathematics Trust Junior Challenge senior pupils secured 18 awards in total, equalling our record. There was 2 Bronze and 1 Silver in Form 7 and a total of 7 Bronze, 7 Silver and 1 Gold in Form 8. One pupil also qualified for the elite follow-on Kangaroo challenge.

The Digital Strategy, launched in September 2021,

is embedded in School life, pupils in Forms 7 and 8 bring their own device to school, supporting their learning across the curriculum. This has been successful, ensuring our pupils are well-equipped for their senior school.

Instrument instruction continues to flourish, with 11 visiting instructors, coaching our young people on a wide variety of instruments. Pupils were able to sit grade exams with the Associated Board of the Royal Schools of Music, Trinity College and Rock School, with many gaining passes with Merit or Distinction.

Five pupils in the Middle School were prize winners in the Sky Arts Portrait Award (Schools), which tied in with the Sky Arts Portrait Artist of the Year where pupils were asked to produce images of someone important to them within their school. One pupil's portrait was featured on a Sky Arts Masterclass hosted by artist Curtis Holder.

Our athletes were thrilled to compete at a Fettes College athletics event in June and deservedly came away with 11 gold, 15 silver and 12 bronze medals. Our athletes

achieved a new record in the U12 girls 100m and won the Saville Cup for relays. Several pupils are members of our local athletics club, Gala Harriers, and benefit hugely from the collaborative coaching that takes place between school and club. In Cross Country, the U11 and U13 girls were placed first at the IAPS event and the U9 boys and girls placed first at Merchiston relays, with a new record set in the U9 girls team event.

We were delighted to have 9 players in the South of Scotland hockey squads (boys and girls). Representing the South of Scotland is the first step in the Scottish Hockey Pathway. 6 girls represented the school playing in the Thistles hockey squad and 5 girls in the netball squad. 5 boys represented the school at Thistles rugby and 3 in the hockey squad. Much pride is felt by pupils selected to play in these representative teams.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

In environmental science, Form 8 completed work on COP27, and Form 7 studied the basics of environmental science. Form 8 participated in the RSA Pupil design awards again this year. We had one project highly commended an excellent achievement given the challenging time frame. Form 7 were given the opportunity to use our £1000 local charity Bright Green Nature grant for a project. The project selected will increase the biodiversity on school grounds, the construction of a mosaic habitat along the western edge of our grounds, between the school and rugby ground. We have planted a native fruiting hedge, planned a wildflower meadow, added 2 ponds, woodland plants and a hibernaculum to the wooded area. We plan

to also add native bulbs and a dead wood hedge in Autumn 2023.

The eco committee made an application for a Green Flag award and are now gathering evidence to support our application.

We achieved level 3 of the RHS gardening awards and Form 4 held another highly successful plant sale, with money going to CHAS. We were able to harvest summer vegetables for the kitchen - chard, spinach and broad beans, as well as onions and potatoes in the autumn.

The School invested significantly in its IT resource to support the ongoing Digital Strategy with 22 new computers and screens installed in the ICT suite. In addition, Form Tutors in the Middle School all benefitted from the installation of new laptops in Form Rooms and have continued to replace our existing

smartboard  
technology  
with the latest  
Interactive  
Panels.

In addition, the  
School's  
general  
programme of  
maintenance  
and repair  
work  
continued.

This included a  
complete  
refurbishment  
of the  
Morrison Hall,  
the installation  
of new desks  
and bookcases  
in the Library  
and orders  
placed for a  
new fleet of  
School  
minibuses.

The School  
continued to  
benefit from  
the support  
provided by  
The Friends of  
St. Mary's and  
Former Pupils  
(FP) Club. The  
Friends of St.  
Mary's, an  
active  
parent-led  
group who  
fundraise,  
support and  
organise  
several events  
throughout the  
school year.  
They hosted  
the wonderful  
Winter  
Wonderland in  
early  
December, as  
well as helping  
to organise our  
Save the  
Children  
Christmas  
Jumper Day. In  
the Lent Term,

a fantastic fundraising quiz was held for parents, staff and guests and in June the Summer Fair was a huge success. Each Form class benefits from a £100 donation following the Summer Fair and in addition donations towards the purchase of musical instruments, library books, art projects, a portable PA system and bouncy castle hire for a Kindergarten event. The FP Club donated a significant portion of the finance for a fabulous mural which now adorns a wall in the dining room. This was painted by Svetlana Norel, a volunteer in the Art Department. Miss Norel's work has been of huge benefit to the School following her move to the Borders from Ukraine.

The School welcomes the close relationship with parents and families having an open door approach with the Headmaster and staff,

ensuring a supportive environment for all pupils. Parent engagement with our School Portal and App has been good over this year with all our families registered. Pupil reports and general notices are sent out via the Portal and App and staff have found this to be a quick and easy means of communication when on the move, particularly at sporting events. Our Instagram and Twitter pages continue to have excellent engagement with current and prospective families, former pupils, and wider community.

During the academic year, the School embarked upon its Rights Respecting School Award journey and we achieved a Bronze Award in March 2023. The action plan for Bronze lays out our goals for the Silver Award which we will embark upon in the academic year 2023-24.

The School has several key performance indicators that are regularly reviewed and monitored.

These are set and reviewed in conjunction with the Board of Governors and are split into financial and non-financial KPIs. Current indicators include but are not limited to income levels, pupil numbers, management of operating and capital costs, bursary support, health and safety including monitoring pastoral care, and staff development.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**STRATEGIC REPORT**

**Financial review**

The principal source of income is fees. Net income of £175,427, shown after investment gains of £845, was achieved during the year, being net income of £149,728 to the general fund, and net income of £25,699 to the restricted fund. The Governors are pleased with the overall performance of the School.

Class and boarding fees amounted to £2,321,131 after discounts of £139,507 and bursaries of £363,481 (2022 £2,037,179 after discounts of £147,477 and bursaries of £315,246).

The value of each class of discount was as follows:

£  
Bursaries  
Awarded 363,481  
2023

Discounts  
Awarded  
2023  
Staff 82,223  
Sibling 55,218  
Other 2,067  
Total  
Discounts 502,989  
2023

**This is shown in**

**terms of the number of pupils receiving assistance as follows:**

**No. of**

**Pupils**

Bursary only	50
Discount only	24
Bursary & discounts	0

Total  
pupils  
receiving  
assistance 74

The Trustees identify the principal risks and uncertainties to be pupil numbers, loss of key personnel and damage to the School's reputation. In addition the current economic and political environment is uncertain, which may present a significant challenge, particularly taxation policy.

The main factors likely to affect future financial performance, the failure to manage costs leading to higher fees which may become unaffordable.

#### **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.

**Reserves policy**

In recent years' surpluses have 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 time.

Development of the fabric of the School will continue to be a work in progress and various elements of refurbishment are constantly being actioned or are under review.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**STRATEGIC REPORT**

The Trustees are satisfied that they have sufficient reserves for maintaining and developing the fabric of the School and as a reserve for general running costs.

**Future plans**

This year's income and strong financial planning over previous years allowed the Governors to once again recognise the enormous effort and commitment put in by the staff, both teaching and non-teaching, by awarding a pay increase for the 2023-24 academic year. It will also allow the Governors to consider moving forward with various development projects although in the current economic climate, it remains the case that continued investment in the School will require the Board to manage the School finances more carefully than ever in the year ahead. There is however a continued commitment and support from the Board of Trustees to ensure St Mary's continues to grow and position itself as one of the best Prep Schools in Scotland.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its Memorandum and Articles of Association 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.

Mr A.  
Armstrong  
and Mr J.  
Casson retire  
by rotation at  
the AGM.  
Being  
eligible, they  
both offer  
themselves  
for  
re-election.

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  
period not  
normally  
exceeding  
twenty years.

**Recruitment,  
appointment,  
and  
development  
of new  
trustees**

When  
vacancies  
arise,  
Trustees are  
very carefully  
selected  
based on the  
benefit that  
their  
experience  
and expertise

can bring to the Board. The Board strive to ensure 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 up to date.

The School continues to draw from its Parent Body for Parent Governors, with appropriate skills, as required. The Board of Trustees of St Mary's School, Melrose recognises that there will continue to be challenges for the School and its parent body. The Trustees are confident the School is strongly placed to continue with development plans and to provide help where needed. The

School will be governed prudently and wisely to ensure that St Mary's stands strong and ready to embrace the future.

**Key management remuneration**

Remuneration of key management is determined by the Finance and General Purposes Committee, for approval by the Board, considering employees' level of responsibility and salaries paid by similar organisations.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The Board continues to keep the School's activities under review, particularly regarding any major risks that may arise and to monitor steps which can be taken by which those risks already identified by the Trustees can be mitigated. At each Board meeting the Governors discussed at length the challenges facing the independent education sector and the implications for St. Mary's School. A risk register is in place, monitored, reviewed and maintained by a committee of 11 staff members from different areas of the School. The document is circulated to the full Board on a termly basis for discussion and review. The register examines the Structure, Governance and Management

of the School's operations, considering the major risks, allocating responsibilities, and suggests appropriate mitigating actions.

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

## **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 (Chairman)  
Mrs G L Adamson (appointed 1.5.23)  
G Aitkenhead  
A J Armstrong  
Mrs C E de Bolle (resigned 8.5.23)  
J D Casson  
Mrs F X H Maclay  
Dr R A Mollart (resigned 6.10.22)  
Dr R Murphy (appointed 5.10.22)  
J S Robertson  
D P Sturrock (resigned 22.2.23)  
S K Taylor (resigned 5.10.22)

**Headmaster**  
W Harvey  
BEd (Hons)

**Company Secretary**  
Mrs F M Tait

**Senior Statutory Auditor**  
Kevin D Ferguson

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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Auditors**

JRW  
Chartered Accountants &  
Statutory Auditor  
19 Buccleuch Street  
Hawick  
Roxburghshire  
TD9 0HL

**Solicitors**

Lindsays  
Caledonian Exchange  
19a Canning Street  
Edinburgh  
EH3 8HE

**Banking Services**

Royal Bank of Scotland  
36 St Andrew's Square  
Edinburgh  
EH2 2YB

**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  
a r e  
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  
t h e  
Companies  
Act 2006.  
They are also  
responsible  
f o r  
safeguarding  
the assets of  
the charitable  
company and  
hence for  
taking  
reasonable  
steps for the  
prevention  
and detection  
of fraud and  
o t h e r  
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  
irrelevant  
audit  
information  
and to  
establish that  
the auditors  
are aware of  
that  
information.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**AUDITORS**

The auditors, JRW, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15th December 2023 and signed on the board's behalf by:

G T G Baird - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF ST. MARY'S SCHOOL, MELROSE**

### **Opinion**

We have audited the financial statements of St. Mary's School, Melrose (the 'charitable company') for the year ended 31st August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF  
ST. MARY'S SCHOOL, MELROSE**

**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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

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

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF ST. MARY'S SCHOOL, MELROSE**

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Identifying and assessing potential risks related to irregularities**

Enquiring with management and trustees, including obtaining and reviewing supporting documentation, concerning the charities policies and procedures relating to:

- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances on non compliance;
- Detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud; and
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

Discussing with the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Obtaining an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements. These areas were identified through enquiries with trustees, management and our knowledge and understanding of the charity accumulated throughout the audit and our sector-specific experience.

### **Audit responses to risks identified**

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud being expenditure payments and fee income receipts.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing and supporting documentation to assess compliance with relevant laws and regulations identified as having a direct effect on the financial statements;
- Performing analytical procedures to identify and unusual or unexpected relationships that may indicate the risk of material misstatement due to fraud;
- Testing of fee income receivable and ensuring these were received;
- Reading minutes of trustee meetings;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

We also communicated relevant laws and regulations identified as potential fraud risks to all the engagement team members and remained vigilant to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF  
ST. MARY'S SCHOOL, MELROSE**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, 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 charitable company's members and the 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin D Ferguson (Senior Statutory Auditor)  
for and on behalf of JRW  
Chartered Accountants &  
Statutory Auditor  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
19 Buccleuch Street  
Hawick  
Roxburghshire  
TD9 0HL

18th December 2023

**ST. MARY'S SCHOOL, MELROSE**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31ST AUGUST 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	129	29,640	29,769	12,806
<b>Charitable activities</b>	4				
School fees receivable		2,323,131	-	2,323,131	2,041,579
Investment income	3	15,928	5	15,933	2,526
Other income	5	36,552	-	36,552	34,276
<b>Total</b>		<u>2,375,740</u>	<u>29,645</u>	<u>2,405,385</u>	<u>2,091,187</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
School operating costs		<u>2,225,762</u>	<u>5,041</u>	<u>2,230,803</u>	<u>2,092,480</u>
Net gains/(losses) on investments		<u>(250)</u>	<u>1,095</u>	<u>845</u>	<u>(2,744)</u>
<b>NET INCOME/(EXPENDITURE)</b>		149,728	25,699	175,427	(4,037)
<b>Transfers between funds</b>	20	<u>(10,000)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>139,728</u>	<u>35,699</u>	<u>175,427</u>	<u>(4,037)</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		4,730,515	211,545	4,942,060	4,946,097
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>4,870,243</u></u>	<u><u>247,244</u></u>	<u><u>5,117,487</u></u>	<u><u>4,942,060</u></u>

The notes form part of these financial statements

**ST. MARY'S SCHOOL, MELROSE (REGISTERED NUMBER: SC023577)**

**BALANCE SHEET  
31ST AUGUST 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	12	3,260,328	3,350,944
Investments	13	<u>213,823</u>	<u>202,977</u>
		3,474,151	3,553,921
<b>CURRENT ASSETS</b>			
Stocks	14	900	900
Debtors	15	50,993	24,151
Cash at bank and in hand		<u>1,643,425</u>	<u>1,401,120</u>
		1,695,318	1,426,171
<b>CREDITORS</b>			
Amounts falling due within one year	16	(51,982)	(38,032)
<b>NET CURRENT ASSETS</b>		<u>1,643,336</u>	<u>1,388,139</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,117,487	4,942,060
<b>NET ASSETS</b>		<u><u>5,117,487</u></u>	<u><u>4,942,060</u></u>

The notes form part of these financial statements

**ST. MARY'S SCHOOL, MELROSE (REGISTERED NUMBER: SC023577)**

**BALANCE SHEET - continued  
31ST AUGUST 2023**

<b>FUNDS</b>	20		
Unrestricted funds:			
General fund		4,870,243	4,730,515
Restricted funds:			
Bang goes the Borders		1,786	2,198
Farr-Out Challenge Fund		17	12
Bursary Fund		210,015	198,920
Designated Donation		35,426	10,415
		<u>247,244</u>	<u>211,545</u>
<b>TOTAL FUNDS</b>		<u>5,117,487</u>	<u>4,942,060</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 15th December 2023 and were signed on its behalf by:

G T G Baird - Trustee

The notes form part of these financial statements

**ST. MARY'S SCHOOL, MELROSE**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	253,507	(107,306)
Interest paid		<u>(1,612)</u>	<u>(1,567)</u>
Net cash provided by/(used in) operating activities		<u>251,895</u>	<u>(108,873)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(15,523)	(14,101)
Purchase of fixed asset investments		(10,001)	(10,000)
Sale of tangible fixed assets	1	1	-
Interest received		<u>15,933</u>	<u>2,526</u>
Net cash used in investing activities		<u>(9,590)</u>	<u>(21,575)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>242,305</u>	<u>(130,448)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,401,120</u>	<u>1,531,568</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>1,643,425</u>	<u>1,401,120</u>

The notes form part of these financial statements

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023	2022
	£	£
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	175,427	(4,037)
<b>Adjustments for:</b>		
Depreciation charges	92,655	104,667
(Gain)/losses on investments	(845)	2,744
Loss on disposal of fixed assets	13,483	1,689
Interest received	(15,933)	(2,526)
Interest paid	1,612	1,567
Decrease in provisions	-	(20,000)
Increase in debtors	(26,842)	(9,352)
Increase/(decrease) in creditors	13,950	(182,058)
<b>Net cash provided by/(used in) operations</b>	<u>253,507</u>	<u>(107,306)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.22	Cash flow	At 31.8.23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>1,401,120</u>	<u>242,305</u>	<u>1,643,425</u>
	<u>1,401,120</u>	<u>242,305</u>	<u>1,643,425</u>
<b>Total</b>	<u>1,401,120</u>	<u>242,305</u>	<u>1,643,425</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2023

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. 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.

**Going concern**

Having reviewed the cash flow projections, and whilst accepting that the future will be challenging, the trustees believe that the charity has the ability to continue as a going concern for the foreseeable future.

**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 will be received and the amount can be measured reliably.

**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.

**Government grants**

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

**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 cost 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.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Heritable land and buildings	- in accordance with the property
Improvements to property	- 5% on cost
Plant and machinery	- 25% on cost
Fixtures and fittings	- 10% on cost and 10% on reducing balance
Motor vehicles	- 25% on cost

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

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

**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**

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.

**Financial assets**

Basic financial assets, including trade and other debtors and bank balances, are initially recognised at transaction price.

At the end of each reporting period financial assets measured at cost are assessed for evidence of impairment. Any impairment loss is recognised in the Statement of Financial Activities.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

### **Financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classed as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### **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.

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**2. DONATIONS AND LEGACIES**

	2023	2022
	£	£
Grants and donations	<u>29,769</u>	<u>12,806</u>

**3. INVESTMENT INCOME**

	2023	2022
	£	£
Deposit account interest	15,655	2,266
Dividends	278	260
	<u>15,933</u>	<u>2,526</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

		2023	2022
	Activity	£	£
Class and boarding fees	School fees receivable	2,181,234	1,926,954
Kindergarten fees	School fees receivable	139,897	110,225
Enrolment registration fees	School fees receivable	2,000	4,400
		<u>2,323,131</u>	<u>2,041,579</u>

**5. OTHER INCOME**

	2023	2022
	£	£
Sundry receipts	<u>36,552</u>	<u>34,276</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 7) £	Totals £
School operating costs	<u>2,061,772</u>	<u>169,031</u>	<u>2,230,803</u>

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**7. SUPPORT COSTS**

	Management	Finance	Governance	Totals
	£	£	costs	£
School operating costs	<u>159,922</u>	<u>1,612</u>	<u>7,497</u>	<u>169,031</u>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	5,000	3,300
Auditors' remuneration for non audit work	2,497	3,000
Depreciation - owned assets	92,655	104,666
Hire of plant and machinery	28,848	26,564
Deficit on disposal of fixed assets	<u>13,483</u>	<u>1,690</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st August 2023 nor for the year ended 31st August 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st August 2023 nor for the year ended 31st August 2022.

**10. STAFF COSTS**

	2023	2022
	£	£
Wages and salaries	1,287,871	1,256,328
Social security costs	115,114	116,677
Other pension costs	<u>172,859</u>	<u>178,145</u>
	<u>1,575,844</u>	<u>1,551,150</u>

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

	2023	2022
Teaching staff	34	36
Admin/Grounds	7	6
Catering/Cleaning	13	13
Gap Year Students	<u>4</u>	<u>2</u>
	<u>58</u>	<u>57</u>

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**10. STAFF COSTS - continued**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£90,001 - £100,000	<u>1</u>	<u>1</u>

The key management personnel of the school comprise the trustees, headmaster, deputy head and school administrator. None of the trustees were remunerated for their duties as trustees during the year. The total employee benefits of the key management personnel of the school during the year were £217,443.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	11,205	1,601	12,806
<b>Charitable activities</b>			
School fees receivable	2,041,579	-	2,041,579
Investment income	2,526	-	2,526
Other income	34,276	-	34,276
<b>Total</b>	<u>2,089,586</u>	<u>1,601</u>	<u>2,091,187</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
School operating costs	<u>2,092,023</u>	<u>457</u>	<u>2,092,480</u>
Net gains/(losses) on investments	<u>(313)</u>	<u>(2,431)</u>	<u>(2,744)</u>
<b>NET INCOME/(EXPENDITURE)</b>	(2,750)	(1,287)	(4,037)
<b>Transfers between funds</b>	<u>(10,000)</u>	<u>10,000</u>	<u>-</u>
<b>Net movement in funds</b>	<u>(12,750)</u>	<u>8,713</u>	<u>(4,037)</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>4,743,265</u>	<u>202,832</u>	<u>4,946,097</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>4,730,515</u>	<u>211,545</u>	<u>4,942,060</u>

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**12. TANGIBLE FIXED ASSETS**

	Heritable land and buildings £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1st September 2022	3,117,089	835,774	243,945
Additions	-	-	15,523
Disposals	-	(634)	-
At 31st August 2023	<u>3,117,089</u>	<u>835,140</u>	<u>259,468</u>
<b>DEPRECIATION</b>			
At 1st September 2022	390,045	324,615	205,526
Charge for year	29,714	36,922	17,814
Eliminated on disposal	-	(94)	-
At 31st August 2023	<u>419,759</u>	<u>361,443</u>	<u>223,340</u>
<b>NET BOOK VALUE</b>			
At 31st August 2023	<u>2,697,330</u>	<u>473,697</u>	<u>36,128</u>
At 31st August 2022	<u>2,727,044</u>	<u>511,159</u>	<u>38,419</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1st September 2022	413,853	52,447	4,663,108
Additions	-	-	15,523
Disposals	(246,746)	-	(247,380)
At 31st August 2023	<u>167,107</u>	<u>52,447</u>	<u>4,431,251</u>
<b>DEPRECIATION</b>			
At 1st September 2022	339,531	52,447	1,312,164
Charge for year	8,205	-	92,655
Eliminated on disposal	(233,802)	-	(233,896)
At 31st August 2023	<u>113,934</u>	<u>52,447</u>	<u>1,170,923</u>
<b>NET BOOK VALUE</b>			
At 31st August 2023	<u>53,173</u>	<u>-</u>	<u>3,260,328</u>
At 31st August 2022	<u>74,322</u>	<u>-</u>	<u>3,350,944</u>

The heritable and buildings were last valued on 31st July 1991 by Lorne Brown Associates, Chartered Surveyors, on an open market basis.

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**13. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1st September 2022	202,977
Additions	10,001
Revaluations	845
At 31st August 2023	<u>213,823</u>
<b>NET BOOK VALUE</b>	
At 31st August 2023	<u>213,823</u>
At 31st August 2022	<u>202,977</u>

There were no investment assets outside the UK.

Cost or valuation at 31st August 2023 is represented by:

	Listed investments £
Valuation in 2023	<u>213,823</u>

**14. STOCKS**

	2023 £	2022 £
Stocks	<u>900</u>	<u>900</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	12,885	11,750
Prepayments and accrued income	<u>38,108</u>	<u>12,401</u>
	<u>50,993</u>	<u>24,151</u>

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade creditors	36,520	20,269
Other creditors and accruals	6,989	11,706
Deferred income	<u>8,473</u>	<u>6,057</u>
	<u>51,982</u>	<u>38,032</u>

Deferred income is mainly fees relating to and received in advance of the 2023/24 school terms commencing.

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	16,262	12,217
Between one and five years	<u>16,630</u>	<u>10,385</u>
	<u>32,892</u>	<u>22,602</u>

**18. SECURED DEBTS**

Any overdraft is secured by a standard security over the school buildings and land and by a bond and floating charge over all the company's assets. The school currently has no overdraft facility in place.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted	Restricted	2023	2022
	fund	funds	Total	Total
	£	£	funds	funds
	£	£	£	£
Fixed assets	3,251,128	9,200	3,260,328	3,350,944
Investments	4,574	209,249	213,823	202,977
Current assets	1,665,343	29,975	1,695,318	1,426,171
Current liabilities	<u>(50,802)</u>	<u>(1,180)</u>	<u>(51,982)</u>	<u>(38,032)</u>
	<u>4,870,243</u>	<u>247,244</u>	<u>5,117,487</u>	<u>4,942,060</u>

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**20. MOVEMENT IN FUNDS**

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
<b>Unrestricted funds</b>				
General fund	4,730,515	149,728	(10,000)	4,870,243
<b>Restricted funds</b>				
Bang goes the Borders	2,198	(412)	-	1,786
Farr-Out Challenge Fund	12	5	-	17
Bursary Fund	198,920	1,095	10,000	210,015
Designated Donation	10,415	25,011	-	35,426
	<u>211,545</u>	<u>25,699</u>	<u>10,000</u>	<u>247,244</u>
<b>TOTAL FUNDS</b>	<u>4,942,060</u>	<u>175,427</u>	<u>-</u>	<u>5,117,487</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	2,375,740	(2,225,762)	(250)	149,728
<b>Restricted funds</b>				
Bang goes the Borders	-	(412)	-	(412)
Farr-Out Challenge Fund	5	-	-	5
Bursary Fund	-	-	1,095	1,095
Designated Donation	29,640	(4,629)	-	25,011
	<u>29,645</u>	<u>(5,041)</u>	<u>1,095</u>	<u>25,699</u>
<b>TOTAL FUNDS</b>	<u>2,405,385</u>	<u>(2,230,803)</u>	<u>845</u>	<u>175,427</u>

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**20. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
<b>Unrestricted funds</b>				
General fund	4,743,265	(2,750)	(10,000)	4,730,515
<b>Restricted funds</b>				
Bang goes the Borders	955	1,243	-	2,198
Farr-Out Challenge Fund	11	1	-	12
Bursary Fund	191,351	(2,431)	10,000	198,920
Designated Donation	10,515	(100)	-	10,415
	<u>202,832</u>	<u>(1,287)</u>	<u>10,000</u>	<u>211,545</u>
<b>TOTAL FUNDS</b>	<u>4,946,097</u>	<u>(4,037)</u>	<u>-</u>	<u>4,942,060</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	2,089,586	(2,092,023)	(313)	(2,750)
<b>Restricted funds</b>				
Bang goes the Borders	1,600	(357)	-	1,243
Farr-Out Challenge Fund	1	-	-	1
Bursary Fund	-	-	(2,431)	(2,431)
Designated Donation	-	(100)	-	(100)
	<u>1,601</u>	<u>(457)</u>	<u>(2,431)</u>	<u>(1,287)</u>
<b>TOTAL FUNDS</b>	<u>2,091,187</u>	<u>(2,092,480)</u>	<u>(2,744)</u>	<u>(4,037)</u>

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 expended 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 £209,249 and cash at bank £766.

The Farr out challenge fund was set up to sponsor inter schools competitions events. The balance on the fund at the year end is £17.

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**20. MOVEMENT IN FUNDS - continued**

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 every year. The balance on the funds at the year end comprises of £1,786.

**21. EMPLOYEE BENEFIT OBLIGATIONS**

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

(b) The charity has no liability for other employers obligations to the multi-employer scheme.

(c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(d) (ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the charity is unable to identify its share of the underlying assets and liabilities of the scheme.

(d) (iii) The employer contribution rate for the period 1st April 2021 is 23% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay.

(d) (iv) While a valuation was carried out as at 31st 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 (McLeod (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminatory 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 total pension contributions for teaching staff in the year was £156,471 (2022, £163,070).

**ST. MARY'S SCHOOL, MELROSE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST AUGUST 2023**

**22. RELATED PARTY DISCLOSURES**

Three governors had children in attendance at the School during the year (2022, two governors). One governor received bursary assistance.

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