Company reference number: SC025744

EDINBURGH STEINER SCHOOL TRUST LIMITED
KNOWN AS EDINBURGH STEINER SCHOOL
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2018

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EDINBURGH STEINER SCHOOL TRUST LIMITED

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EDINBURGH STEINER SCHOOL TRUST LIMITED

CHARITY INFORMATION

Trustees
Gerald Johnson (Chairman)
Roshini Dubey
James McGregor
Thomas Moore
Paul Newton
Michael Palmer
Juan Carlos Soto
Layla Tree

Key Management Personnel
Alistair Pugh – Chair of College
Helen Newton – School Co-ordinator
Barbara Scott – Management
Nick Brett – Management

Bursar
Lesley Chari

Registered Office
6 St Colme Street
Edinburgh
EH3 6AD

Principal Address
60 Spylaw Road
Edinburgh
EH10 5BR

Bankers
CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Auditors
Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

Company Registration Number: SC025744

Scottish Charity Number: SC002109

EDINBURGH STEINER SCHOOL TRUST LIMITED

TRUSTEES' REPORT
For the Year Ended 31 July 2018

The trustees are pleased to present their annual trustees' report together with the financial statements of the Trust for the year ending 31 July 2018.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and 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).

OBJECTIVES AND ACTIVITIES

The charitable objectives of the Trust are set out as follows in the Articles of Association dated November 2014:

- To carry on in Edinburgh and develop a school or college (for boarders or for day scholars or for both) having for its main objects the advancement of education of and the communication of instruction to children in accordance with the principles enunciated by the late Dr Rudolf Steiner of Dornach, near the City of Basle in Switzerland;
- To establish, equip and conduct and co-operate in establishing, equipping and conducting in such places as the charity shall from time to time determine such schools, classes, lectureships and other means of instruction as the charity shall deem expedient with a view to communication of instruction or the advancement of education in accordance with the aforesaid principles;
- To grant and establish bursaries and scholarships and to make payments towards the expenses of students and to grant prizes or take any other action designed to promote education and instruction in accordance with the foresaid principles as the charity may from time to time deem conducive to the furtherance of its objects;
- To publish and pay the cost of publishing literature which the charity may regard as conducive to education or the communication of instruction in accordance with the principles aforementioned and to contribute to and to promote such literature and to contribute towards the provision of a library or libraries designed to that end.

Activities
During 2017-2018 the Trust continued to run a school providing education from age 6 to age 18; a kindergarten preparing children age 3 and a half to 6 for school, a playgroup for pre-kindergarten age children, and baby and toddler groups. The Trust also runs a foundation seminar in the Steiner educational philosophy and a teacher training course. The Trust makes facilities available to the local community for lectures, seminars and similar activities.

OBJECTIVES AND ACTIVITIES (Continued)

Bursary and Family Support

The Trustees have long held that access to a Steiner education should not depend solely on the ability to pay. Hence the Trustees make available for allocation as bursaries 5% of the previous financial year's net fee income. Bursaries are means tested based on a family's total household income and capital position.

In 2017–18, 26 bursaries were awarded, ranging from 3% to 40% of fees. The total awarded was £79,000.

The Trustees also set aside 1% of net fee income as a hardship fund, available to parents in the school experiencing temporary financial hardship which threatens the continuing education of their children. The amount available for distribution in session 2017–18 was £16,600. 2 families benefited from the Fund in the year 2017–18.

Volunteers

A large number of parents and carers gave their time voluntarily in assisting the school, kindergarten and early year's groups with the supervision of excursions and extra-curricular activities and with fund-raising at the Christmas Market.

Pupils

The average pupil numbers were:

	2017-18	2016-17	2015-16
Parent & Child Groups	64	72	64
Kindergarten	50	49	51
Lower School	147	117	114
Upper School	76	83	81
Visiting Students	8	8	11

At the start of 2018/19 there was a fall in pupil numbers of 25. The Trustees took steps to bring expenditure into line with the reduced fee income and to address the parental concerns. At the time of this report, pupil numbers have begun climbing again.

Examination Results

External examinations are taken in Classes 10, 11 and 12, with a mixture of GCSEs, National Courses (4 & 5, which replaced Intermediates in 2014) Highers and Advanced Higher (in Art only) being offered. To enable the broad curriculum of main lessons content to continue, exams are normally taken a year later than in some other schools.

In 2018, Upper School pupils continued to achieve excellent academic grades with 91% receiving pass rates (A-C) for Higher exams (national averagè 76%). For National 5 exams, 87% received a pass rate and for GCSEs 83% achieved a pass (grades 9-4) compared with a UK average of 67%. In GCSEs 25% of pupils attained the highest grade (9) compared with a national average of 4%.

OBJECTIVES AND ACTIVITIES (Continued)

Growing Spaces Project

During 2017-18 the Trustees commissioned Benjamin Tindall Architects to prepare a campus strategy to facilitate growth towards 300 pupils in the kindergarten and school and to improve the core buildings. The Trustees agreed to seek planning permission for the early phases of work outlined in the strategy.

Planning permission was received in December 2018 and builders began work on refurbishing the East Coach House in January 2019.

FINANCIAL REVIEW

This year's operating results saw a surplus before accounting for gains on investments, of £135,091 (2017: deficit of £25,468). After taking account of realised and unrealised gains on investments of £46,623 (2017: gains of £163,149) the overall net income and movement in funds for the year was £181,714 (2017: £137,681).

The Trust 's principle source of funding continues to be from fee income. The other main funding sources include donations and legacies, training courses and fundraising events.

Reserves Policy

During 2017-18 the Trustees transferred £500,000 from investments to the Growing Spaces Project.

The total unrestricted reserves of the Trust at the year end were £2,152,819 but after deducting the funds set aside by Trustees for specific purposes totalling £620,791 and the further tangible fixed assets of £680,172 this leaves £851,856 of unrestricted 'free' reserves.

Such reserves are required for working capital and to meet any unexpected variations in the income and expenditure operational budgets. It is the policy of the trustees to maintain free reserves at a level of £500,000, therefore the balance held at the year end is well in excess of the target level.

FUTURE PLANS

During 2018-19 the Trustees will continue the refurbishment of the East Coach House, which will produce 2 new classrooms and 2 smaller craft rooms in time for the autumn term.

The Trustees will also continue to work to achieve recognition of our teacher training course by the General Teaching Council of Scotland.

TRUSTEES' REPORT (Continued)
For the Year Ended 31 July 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
Edinburgh Steiner School Trust Limited is a company limited by guarantee, registered company number SC025744, governed by its Articles of Association which were reviewed and updated on 19 May 2015. It is a registered charity with the Scottish Charity Regulator, charity number SC002109.

Governing Body
The Trustees who served throughout the year and up to the date of this report were:

Gerald Johnson (Chairman)
Rachel Craig (resigned 18 October 2018)
Roshini Dubey
James McGregor (appointed 14 May 2018)
Thomas Moore
Paul Newton
Michael Palmer
Juan Carlos Soto
Layla Tree

Appointment of Trustees
Trustees are elected by majority by the Membership of the Trust at the annual general meeting. The Board of Trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee. The Trustees, when complete, consist of at least three and not more than nine individuals. At each AGM a third of the Trustees must resign but may stand for re-election.

Trustees Training
New Trustees are inducted into the workings of the Trust in a series of meetings with the Chairperson. Trustees are encouraged to attend training events and seminars organised by the Scottish Council of Independent Schools.

Organisational Structure and Decision Making
The Trustees determine broad policy direction for the school, kindergarten and early year's provision particularly in regard to legal and financial requirements of the school. Management of delivery of the education is delegated to the College of Teachers, who in turn delegate day-to-day management to the Management Group. The Trustees meet monthly during term time and the College of Teachers meets weekly.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related Parties

None of the Trustees receive remuneration or other benefit from their work with the Trust. Any contractual relationship must be disclosed and notes of interest are retained in written form.

Some Trustees have children attending the school or kindergarten. Generally this does not affect their capability to make independent and fair decisions but, if there is a specific situation where there may be a conflict of interests, the affected Trustee will not take part in the discussion and decision making.

Details of related party transactions are shown under note 18 to the financial statements.

Risks and mitigations

The current risk register is:

- **General school roll**
  The primary funding of the school is through fees, so we are vulnerable to an unexpected fall in the overall school roll. The key mitigations are good marketing to ensure a steady flow of new applications and working closely with current parents to resolve any issues.

- **Class one size**
  Exploring class sizes over the years highlights that class size does not vary hugely as the cohort progresses through the school. The risk is that a small class one will cause low numbers for the next 12 years. The key mitigation is maximising the numbers in kindergarten to ensure a large flow through into class 1.

- **Brexit**
  A significant number of the pupils are from families of continental European origin, reflecting the wider awareness of Steiner education in continental Europe. The risk is that Brexit concerns threaten their stability as residents of Edinburgh. The key mitigation is to stay closely in touch with the families affected.

- **GTCS Registration**
  The Education (Scotland) Act 2016 introduced a requirement (to be phased in by October 2020) for teachers in independent schools to be registered with the General Teaching Council for Scotland. The Edinburgh Steiner School has a number of teachers who are not currently GTCS registered and our training course is not currently recognised. The risk is that some of our staff may not be allowed to teach and our flow of new teachers may dry up. The key mitigation is working with the GTCS to agree arrangements that will enable our teachers to comply with this requirement and to obtain recognition for our training.

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Risks and mitigations (Continued)

- **Buildings**
  Our buildings are increasingly showing their age and requiring substantial maintenance. The Coach House has deteriorated significantly and needs major work. Overall, increasing pupil numbers means we are struggling to fit classes in to the existing rooms. The risk is that a further building deteriorates significantly and we are unable to house all the classes. The mitigation is the development of a strategic campus development plan and a series of building projects to bring the buildings back up to a good state.

- **Key Staff**
  As a small school, we are dependent on key staff performing their functions well. We can mitigate the risk by regular rotation of roles so that experience and knowledge are more widely spread.

- **Fundraising**
  The school now has a part-time fundraiser and has begun building an alumni association. However, we still have not found funding bodies willing to support our projects. The risk is that we will be unable to fund necessary building works. The mitigation is to dedicate resources to creating a new approach to fund-raising.

- **Fund Management**
  The Trusts Reserves are largely held in two funds managed by Standard Life, hence we are vulnerable to the performance of those funds. The mitigation is diversification of our assets.

- **Inspection**
  Inspections of Steiner Waldorf schools in England have raised concerns about structure and accountability. We will work with the Steiner Waldorf Schools Fellowship to understand these concerns and apply any lessons learned.

The risk register is reviewed regularly by the trustees.

TRUSTEES' REPORT (Continued)
For the Year Ended 31 July 2018

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Edinburgh Steiner School Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 the year. In preparing these financial statements, the trustees are required to:

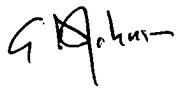
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the 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 auditor is 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 auditor is aware of that information.

Approved by the trustees at its meeting on 11 March 2019 and signed on their behalf by:



Gerald Johnson
Chairman

EDINBURGH STEINER SCHOOL TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF EDINBURGH STEINER SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Edinburgh Steiner School Trust Limited for the year ended 31 July 2018 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

Other information

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors report included within trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF EDINBURGH STEINER SCHOOL TRUST LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

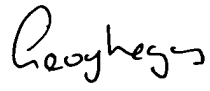
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the 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 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's members as a body, and its trustees as a body for our audit work, for this report, or for the opinions we have formed.



Iain Binnie, CA (Senior Statutory Auditor) **11 March 2019**
For and on behalf of Geoghegans
Chartered Accountants and Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

Geoghegans is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

EDINBURGH STEINER SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
For the year ended 31 July 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Income from:					
Donations and legacies	3	15,517	-	15,517	34,701
Charitable activities	4	1,962,330	-	1,962,330	1,706,615
Trading activities	5	68,351	-	68,351	70,002
Investments	6	2,404	1,424	3,828	3,052
Total income		2,048,602	1,424	2,050,026	1,814,370
Expenditure on:					
Raising funds	7	(9,951)	-	(9,951)	(11,198)
Charitable activities	7	(1,904,927)	(57)	(1,904,984)	(1,828,640)
Total expenditure		(1,914,878)	(57)	(1,914,935)	(1,839,838)
Net income/(expenditure) before gains on investments	2	133,724	1,367	135,091	(25,468)
Net gains on investments	11	44,818	1,805	46,623	163,149
Net income		178,542	3,172	181,714	137,681
Transfers between funds	20	79,842	(79,842)	-	-
Net movement in funds		258,384	(76,670)	181,714	137,681
Total funds brought forward		1,894,435	76,670	1,971,105	1,833,424
Total funds carried forward	20/21	2,152,819	-	2,152,819	1,971,105

EDINBURGH STEINER SCHOOL TRUST LIMITED,

BALANCE SHEET
As at 31 July 2018

	Notes		2018	2017
			£	£
Fixed assets				
Tangible fixed assets	10		742,942	663,421
Investments	11		536,316	1,058,837
			1,279,258	1,722,258
Current assets				
Stock		4,694		4,945
Debtors	12	127,930		191,381
Cash at bank and in hand		882,044		181,644
		1,014,668		377,970
Creditors: amounts falling due within one year	13	(141,107)		(129,123)
Net current assets			873,561	248,847
Net assets			2,152,819	1,971,105
The funds of the charity:				
Unrestricted funds	20		2,152,819	1,894,435
Restricted funds	21		-	76,670
			2,152,819	1,971,105

The financial statements are prepared in accordance with the special provisions available to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Trust on 11 March 2019 and are signed on their behalf by:

Gerald Johnson
Chairman

Company Registration Number: SC025744

EDINBURGH STEINER SCHOOL TRUST LIMITED

RECONCILLIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 31 JULY 2018

	2018 £	2017 £
Net income for the year (as per the SOFA)	181,714	137,681
Adjustments for:		
Gains on investments	(46,623)	(163,149)
Depreciation	12,280	13,089
Dividends and interest from investments	(3,828)	(3,052)
Increase in debtors	63,702	31,602
Increase/(decrease) in creditors	11,984	(22,474)
Net cash provided by/(used in) operating activities	219,229	(6,303)

STATEMENT OF CASH FLOWS
for the year ended 31 July 2018

	2018 £	2017 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities	219,229	(6,303)
Cash flows from investing activities:		
Payments to acquire fixed assets	(91,801)	-
Dividends and interest from investments	3,828	3,052
Proceeds from sale of investments	571,783	17
Purchase of investments	(1,048)	(1,248)
Net cash flow provided by investing activities	482,762	1,821
Change in cash and cash equivalents in the year	701,991	(4,482)
Cash and cash equivalents at the beginning of the year	272,801	277,283
Cash and cash equivalents at the end of the year	974,792	272,801
Being:		
Cash in hand and in bank	882,044	181,644
Investments – cash deposits	92,748	91,157
	974,792	272,801

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2018

1 Accounting Policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

Company status
Edinburgh Steiner School Trust Limited is a charitable company limited by guarantee, incorporated in Scotland. The address of the registered office is given in the charity information on page 1 of these financial statements.

Basis of preparation
The financial statements are prepared under the historic cost convention, as modified by the inclusion of fixed asset investments at fair value, and are in accordance with the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable and charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Bulletin 1 published on 2 February 2016), the Financial Reporting Standards applicable in the UK and Republish of Ireland (FRS 102).

The financial statements have been prepared on a going concern basis as the Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and take the view that the budgeted income and expenditure is sufficient with the level of reserves for the charitable company to be able to continue as a going concern.

Edinburgh Steiner School Trust Limited meets the definition of a public benefit entity under FRS102.

Income recognition
Income is recognised when the charitable company has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably.

Income, including donations, gifts and legacies are recognised in the period in which they are receivable, which is when the charitable company becomes entitled to the resource. Such income is only deferred when:

- The donor specifies that the grant or donations must only be used in future accounting years; or
- The donor has imposed conditions which must be met before the charitable company has unconditional entitlement.

Income from charitable activities, which includes income from school fees and use of the premises, is recognised in the period in which the service is provided and the charitable company is therefore entitled to the income, receipt is probable and the income can be reliably measured. School fees receivable are stated after deducting allowances.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company, which is normally upon notification of the interest paid or payable by the bank.

1 **Accounting Policies (continued)**

Expenditure recognition
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and includes any irrecoverable VAT.

Raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the running of the school. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs comprise the costs of running the charitable company, including strategic planning for its future development, also including external audit, any legal advice for the school Trustees and all costs of complying with constitutional and statutory requirements, such as the costs of Trustees and Committee meetings and of preparing statutory accounts and satisfying public accountability.

The allocation of expenses between costs of activities in furtherance of the charitable objectives, costs of generating funds and resources expended on management and administration is based on the nature of the expenditure involved.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. All assets costing more than £1,000 are capitalised. Depreciation is calculated at the following rates so as to write off the assets over their estimated useful lives.

Heritable property	1% to 2% on straight line
Equipment and fittings	25% on straight line
Computer equipment	25% on straight line

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

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

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1 Accounting Policies (continued)

Debtors
Trade debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

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

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

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

Pension scheme
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the SOFA in the period to which they relate.

Fund accounting
Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charitable company. Where designated, these are unrestricted funds set aside by the directors for specific future purposes or projects. Restricted funds are funds subject to specific restrictive conditions imposed by the donors.

Operating leases
Leasing charges in respect of operating leases are recognised in the SOFA over the lives of the lease agreements as incurred.

2 Net income/(expenditure) for the year

	2018 £	2017 £
This is stated after charging:		
Depreciation	12,280	13,089
Auditors' remuneration (excluding VAT)	8,575	8,325
Operating leases	22,185	22,097

3 Donations and legacies

	2018 £	2017 £
Donations and grants	15,517	12,537
Legacies	-	22,164
	15,517	34,701

Donations and legacies income in both this year and 2017 relate wholly to unrestricted funds.

4 Charitable activities - Fees for education of children

	2018 £	2017 £
Gross school fees	2,077,160	1,787,195
Other fees	61,608	66,461
Less: Discounts	(176,438)	(147,041)
	1,962,330	1,706,615

Charitable activities income in both this year and 2017 relate wholly to unrestricted funds.

5 Trading activities

	2018 £	2017 £
Christmas market	22,290	27,931
Rents received	3,363	3,327
Training courses	42,698	38,744
	68,351	70,002

Trading activities income in both this year and 2017 relate wholly to unrestricted funds.

6 Investment income

	2018 £	2017 £
Bank interest	2,405	1,786
Dividends received	1,423	1,266
	3,828	3,052

Investment income of £3,828 (2017: £3,052) relates to £2,404 (2017: £1,779) in unrestricted funds and £1,424 (2017: £1,273) in restricted funds.

7 Expenditure

	Raising Funds £	Charitable Activities £	2018 Total £	2017 Total £
Costs directly related to activities				
Salaries	-	1,485,694	1,485,694	1,335,241
Books and materials	-	25,337	25,337	25,483
Exam fees	-	9,680	9,680	6,730
Costs of meals	-	8,191	8,191	11,150
Depreciation	-	12,280	12,280	13,089
Printing and stationery	-	48,392	48,392	53,347
Telephone and postages	-	11,934	11,934	13,784
Travelling expenses	-	5,749	5,749	3,498
Bad debts	-	(9,681)	(9,681)	48,432
Bursaries awarded	-	80,715	80,715	68,688
Professional and consultancy fees	-	15,795	15,795	43,328
Christmas market	9,951	-	9,951	7,399
Support costs	-	197,758	197,758	195,559
Governance costs	-	13,140	13,140	14,110
	9,951	1,904,984	1,914,935	1,839,838
Support costs allocated to activities				
Premises	-	138,034	138,034	130,910
Steiner Fellowship subscription	-	24,602	24,602	19,722
Advertising	-	10,235	10,235	10,745
Conferences and course expenses	-	9,251	9,251	9,254
Miscellaneous expenses	-	4,222	4,222	15,021
Subscriptions	-	8,699	8,699	6,490
Bank charges and loan interest	-	2,715	2,715	3,417
	-	197,758	197,758	195,559
Governance costs				
Audit and accounting fees	-	10,290	10,290	11,910
Salaries	-	2,850	2,850	2,200
	-	13,140	13,140	14,110

Raising funds expenditure in both this year and 2017 related wholly to unrestricted funds.

Charitable activity expenditure of £1,914,935 (2017: £1,839,838) relates to £1,914,878 (2017: £1,839,788) in unrestricted funds and £57 (2017: £50) in restricted funds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 July 2018

8 Employee information

	2018 £	2017 £
Staff costs comprise:		
Wages and salaries	1,254,895	1,134,051
Social security costs	85,616	74,034
Pension costs	148,033	129,356
	1,488,544	1,337,441

No employee received emoluments of more than £60,000 in either the current or prior year.

The total amount of employee benefits received by key management personnel is £128,052 (2017: £115,793). Key management is made up of 4 members of the management team which rotate year on year.

No trustee received any remuneration for his/her services as a trustee. No trustee received any reimbursement of travel expenses to attend meetings (2017: £Nil).

The average monthly number of persons employed, including part time staff, was:

2018	2017
75	68

9 Taxation

As a charity, Edinburgh Steiner School Trust Limited is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charitable company.

10 Tangible fixed assets

	Heritable Property £	Furniture and Equipment £	Total £
Cost			
As at 31 July 2017	871,532	124,123	995,655
Additions	91,801	-	91,801
Disposals	-	-	-
As at 31 July 2018	963,333	124,123	1,087,456
Depreciation			
As at 31 July 2017	208,111	124,123	332,234
Charge for year	12,280	-	12,280
Disposals in year	-	-	-
As at 31 July 2018	220,391	124,123	344,514
Net Book Value at 31 July 2018	742,942	-	742,942
Net Book Value at 31 July 2017	663,421	-	663,421

11	**Fixed asset investments**	**2018**	**2017**
		£	**£**
	Market value at 1 August 2017	967,680	803,300
	Additions	1,048	1,248
	Disposal proceeds	(571,783)	(17)
	Net gains on revaluation	46,623	163,149
		443,568	967,680
	Cash balances	92,748	91,157
	Market value at 31 July 2018	536,316	1,058,837
	Historical Cost at 31 July 2018	253,255	673,818

Investments in individual entitles held at 31 July 2018 whose value exceeds 5% of the portfolio, are as follows:

	2018	**2017**
	£	**£**
Standard Life Investment Fund	443,568	898,750
Witan Investment Trust	-	68,935
United Trust Bank	92,748	91,152

12	**Debtors**	**2018**	**2017**
		£	**£**
	Fees and outlays outstanding	98,417	166,620
	Other debtors and prepayments	29,513	24,761
		127,930	191,381

13	**Creditors: amounts falling due within one year**	**2018**	**2017**
		£	**£**
	Loans (note 14)	-	30,000
	Trade creditors	42,834	26,495
	Tax and social security costs	22,886	-
	Accruals	29,991	21,460
	Other creditors	45,396	51,168
		141,107	129,123

14 **Loans**

	2018	2017
	£	£
Creditors: amounts falling due within one year includes the following loans:		
Anthroposophical Society	-	30,000
	-	30,000

The loan from the Anthroposophical Society was unsecured, repayable on demand and bore interest at 2% per annum. The loan was fully repaid in the year in 12 monthly instalments.

15 **Financial commitments**

At 31 July 2018 the company was committed to making the following payments under non-cancellable operating leases:

Operating leases which expire:	2018	2017
	£	£
Within one year	-	-
Between two and five years	79,005	76,684
More than five years	-	24,506
	79,005	101,190

16 **Capital commitments**

Contractual commitments for the purchase of an ISAMS system contracted for but not provided in the financial statements amounted to £7,000 (2017: £Nil).

17 **Pension commitments**

The company operates a defined contribution pension scheme on behalf of its employees. The scheme is administered by Aviva. Contributions of £120,455 (2017: £100,433) have been made during the year. At 31 July 2018 contributions amounting to £9,889 (net of AVCs) (2017: £10,582) are payable and are included in creditors.

18 **Legacy of the Late K M A Kiniger**

Following the death of Karla Kiniger during 2014, the School was bequeathed the dwelling house at 88/5 Polwarth Gardens, Edinburgh but with the liferent use to a named third party. With the continuing liferent use, the School does not have unencumbered title to the property and therefore its value is not reflected in the Balance Sheet of the School. The estimated value of the property is expected to be in the region of £290,000.

19 Related party transactions

The following related party transactions occurred during the year:

One Trustee received a salary of £21,522 (2017: £20,841) for their employment as a teacher in the school together with fee remission of £17,004 (2017: £16,226) for two children.

The company in which one of the Trustees is a 50% shareholder received garden design service fees of £790 (2017: £5,366) in the year.

One of the Trustees is an Investment Director at Standard Life Investments (a subsidiary of Standard Life Aberdeen Plc). The school has an investment with Standard Life Investments and one of the two equity funds held the Trustees responsible for managing.

One member of key management is a Director of Steiner Waldorf Schools Fellowship Limited which received subscriptions from the school in the year of £24,602 (2017: £19,722).

20 **Unrestricted Funds**

2017/18

	Opening Balance at 31 July 2017 £	Income £	Expenditure £	Gains on Investments £	Transfer £	Closing Balance at 31 July 2018 £
Capital donated by Members	39	-	-	-		39
General fund	1,828,581	2,026,528	(1,858,740)	44,818	(509,198)	1,531,989
Christmas market fund	53,894	22,034	(21,115)	-	-	54,813
Improvement fund	11,921	2	(19,777)	-	17,270	9,416
New build fund	-	38	(15,246)	-	571,770	556,562
	1,894,435	2,048,602	(1,914,878)	44,818	79,842	2,152,819

Unrestricted Funds

2016/17

	Opening Balance at 31 July 2016 £	Income £	Expenditure £	Gains/(losses) on Investments £	Transfer £	Closing Balance at 31 July 2017 £
Capital donated by Members	39	-	-	-	-	39
General fund	1,722,799	1,782,413	(1,810,246)	147,235	(13,620)	1,828,581
Christmas market fund	46,502	27,931	(20,539)	-	-	53,894
Improvement fund	4,551	2,753	(9,003)	-	13,620	11,921
	1,773,891	1,813,097	(1,839,788)	147,235	-	1,894,435

"General fund"
This fund represents unrestricted general funds available for use at the discretion of the Trustees.

"Christmas market fund"
This is a fund raising project, organised by some of the parents to raise funds through a Christmas Market and monies raised are used to support school activities and projects.

"Improvement fund"
During the year funds additional funds were allocated to the Improvement Fund. It is intended that these funds will be used to make ongoing improvements to the school.

"New build fund"
During the year amounts were disinvested for the purpose of funding a new build project at the school. The balance on the fund at the year end is made up of £62,770 shown as part of the NBV of heritable property per note 11, and £493,792 held within cash at bank.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 July 2018

21 **Restricted Funds**

2017/18	Opening Balance at 31 July 2017 £	Income £	Expenditure £	Gains on Investments £	Transfers £	Closing Balance at 31 July 2018 £
Improvement fund	68,935	1,423	(43)	1,805	(72,120)	-
Education fund	7,735	1	(14)	-	(7,722)	-
	76,670	1,424	(57)	1,805	(79,842)	-

Restricted Funds 2016/17	Opening Balance at 31 July 2016 £	Revenue £	Expenditure £	Gains on Investments £	Transfers £	Closing Balance at 31 July 2017 £
Improvement fund	51,791	1,266	(36)	15,914	-	68,935
Education fund	7,742	7	(14)	-	-	7,735
	59,533	1,273	(50)	15,914	-	76,670

"Improvement fund"
The Edinburgh Rudolf Steiner School Development Trust was wound up and its assets were transferred to the school in 2009 for the purpose of making ongoing improvements to the school. These funds were wholly held within Witan Wisdom investments. These investments were sold in the year to fund the New Build project and the balance on the fund has therefore been released to nil at the year end with the restriction element on the funds now deemed to have been released.

"Education fund"
The school received funds from the Education Association be used to publicise the Rudolf Steiner way of education. It was deemed by the Trustees in the year that the balance on this fund should be transferred out in the year, with the funds considered to have been spent on the purposes of the fund over the last number of years.

22 **Analysis of Net Assets between Funds**

2017/2018	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted funds				
Capital donated by members	-	-	39	39
General fund	680,172	536,316	315,501	1,531,989
Christmas market fund	-	-	54,813	54,813
Improvement fund	-	-	9,416	9,416
New build fund	62,770	-	493,792	556,562
	742,942	536,316	873,561	2,152,819
Restricted funds				
Improvement fund	-	-	-	-
Education fund	-	-	-	-
	-	-	-	-
Net Assets at 31 July 2018	742,942	536,316	873,561	2,152,819

22 **Analysis of Net Assets between Funds (continued)**

2016/2017	Tangible Fixed Assets £	Investments £	Net Current Assets/ (Liabilities) £	Total £
Capital donated by members	-	-	39	39
Unrestricted funds				
General fund	663,421	989,902	175,258	1,828,581
Christmas market fund	-	-	53,894	53,894
Improvement fund	-	-	11,921	11,921
	663,421	989,902	241,112	1,894,435
Restricted funds				
Improvement fund	-	68,935	-	68,935
Education fund	-	-	7,735	7,735
	-	68,935	7,735	76,670
Net Assets at 31 July 2017	663,421	1,058,837	248,837	1,971,105