

The Fettes Foundation

**Annual report and financial statements
for the year ended 31 August 2023**

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Company information

Trustees	A W B Torrens	
	N J Bolton	(Resigned 22 June 2023)
	J C Lang	
	M Lino	
	B O Lloyd	
	A Nairn	(Resigned 22 June 2023)
	A E H Salvesen CBE	
	E M Young	
	C G M Parbrook	
Company Secretary	D G Hancock	
Director of Development	N M E Pickavance	(Resigned July 2023)
	M R J Stitt	(Appointed October 2023)
Charity number	SC028350	
Company number	SC189253	
Registered office	Fettes College Carrington Road Edinburgh EH4 1QX	
Auditor	Henderson Loggie LLP 11 - 15 Thistle Street Edinburgh EH2 1DF	
Solicitors	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY	



Trustees' report (including directors' report) for the year ended 31 August 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023. This report also includes the requirements of a directors' report in accordance with the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Foundation's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)" (effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Fettes Foundation ("the Foundation") is a company limited by guarantee and does not have any share capital. It was established in August 1998 as a registered Scottish charity (No. SC028350) and has its registered office at Fettes College, Carrington Road, Edinburgh, EH4 1QX, Scotland. The Foundation was established for charitable objects only, these objects being to advance the education, health and well-being of students attending Fettes College, by the provision, or the assistance in the provision, of financial and other support to the College. Details of the Trustees, Senior Manager, Advisors and principal address of the Foundation are listed on page 1 of this report. This report also includes the requirements of a directors' report in accordance with the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Foundation is governed by its Memorandum and Articles of Association. This report and the attached accounts have been prepared in accordance FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities: Statement of Recommended Practice for charities applying FRS 102" ("SORP (FRS 102) ") and with current statutory requirements.

Directors and Trustees

The governing body of the Fettes Foundation comprises the Trustees listed on page 1, and the Directors of the Foundation are its Trustees for the purpose of charity law. A number of them have wider family connections with Fettes College including eight who have or have had children at the school. New Trustees are invited to join the Board of Trustees based on their commitment to Fettes College and its future development. In normal course, Trustees are encouraged to pay regular visits to Fettes College and to meet with the Director of Development, as required, between the biannual Foundation meetings held in Edinburgh in May or June (Ordinary Meeting) and December or January (the Annual General Meeting).

Organisation Management

The Foundation's Trustees have overall responsibility for ensuring that the operational activities of the Foundation are conducted in the most efficient manner possible. The Foundation is provided with office space and various other facilities by Fettes College.

The Foundation is staffed by members of the Development Team. The role of the Development Team is to connect and empower the Fettes community across the globe to support each and Fettes College, and to raise philanthropic income for the Foundation. To do this they build and maintain relationships with an ever-growing number of Old Fettesians, current and past parents, students and current and former staff.

The day-to-day management of the Foundation and major gifts fundraising is in the hands of the Director of Development. He is supported by:

- the Development Manager (Fundraising & Stewardship) who manages annual giving initiatives and donor thanking and stewardship. She also manages US fundraising and events.

Trustees' report (including directors' report) for the year ended 31 August 2023 (continued)

- the Development Officer (Data and Research) who manages the Development Team's database. She also ensures the Fettes Foundation complies with data protection legislation and carries out research.
- the Development Administrator who provides administrative support across all strands of the Development Team's work.

There are two other members of the Development Team, supporting engagement rather than fundraising activities. These activities help the College deepen and widen engagement with members of the community and pave the way for support towards the Foundation. They are:

- the Fettes Community Engagement Manager who manages the delivery of engagement activities for the Fettes community, line manages the Old Fettesian Co-ordinator, and runs the Fettes Career Partnership Programme.
- the Old Fettesian Co-ordinator who supports and manages opportunities for Old Fettesians to engage with each other and Fettes College.

In turn the Development Team is assisted by the Accounts Department of Fettes College which maintains the Foundation's bank accounts and prepares the monthly financial statements on behalf of the Foundation. The Finance Manager is the Foundation's Company Secretary. The Director of Development meets regularly with the Head and the Bursar of Fettes College and the Foundation Chair.

Relationship with Fettes College

The Foundation is a separately registered charity to that of Fettes College. However, its objectives and aims are to support the education, health and well-being of students at Fettes College. One of the Foundation's Trustees was also a Governor of Fettes College during the year and a further three Trustees have been Governors in the past. The Foundation is independently constituted and operationally independent of Fettes College and is not a subsidiary or associated company of it.

Risk Management

Trustees are responsible for the management of risks faced by the Fettes Foundation. They recognise the value of an open and transparent culture which promotes prompt escalation of risk concerns. They have nominated the Director of Development to take overall responsibility for risk management and ensure its effectiveness. Risks are identified, assessed and controls established. Whilst these controls are reviewed throughout the year, a formal review of the Foundation's risk management processes is conducted twice a year at each Foundation meeting. The key controls used by the charity include:

- Formal agenda for and minuting of all Trustees meetings.
- Comprehensive strategic planning, budgeting and management accounting.
- Established organisation structure and lines of reporting.
- Clear authorisation and approval levels for expenditure.

Through the risk management processes established by the Foundation, the Trustees are satisfied that the major risks are identified and have been adequately assessed and mitigated, where necessary.

The key risks facing the Foundation typically relate to governance, regulation, staffing, external economic uncertainties and financial and administrative factors which can in turn be broken down into succession planning for the Board; compliance with relevant legislation such as data protection regulations; retaining charitable status; recruitment then retention of good staff; ensuring sufficient funding from donations is coming into the Foundation and that cost controls relating to expenditure are in place; and developing and maintaining adequate systems including IT systems to ensure gifts to the Foundation are processed, acknowledged and recognised in accordance with the donor's wishes.

The Trustees place huge emphasis on ensuring that the Fettes Foundation does not suffer any material damage or loss arising from a risk factor which would affect its ability to deliver its strategy and key objectives.



OBJECTIVES AND ACTIVITIES

Charitable Object

The Foundation's principal activity is to raise funds to provide financial and other support to Fettes College. This requires an active series of campaigns and communications to ensure that the constituency, primarily made up of former students and parents of current and past students of Fettes College, are aware of the needs of the College particularly as they relate to bursaries and the expansion and renewal of facilities.

Strategic Aims

In order to assist Fettes College to meet the challenges and demands of an increasingly complex regulatory, political and socio-economic world, the Foundation has, since 2016, when a Long-Term Development Plan for the College was completed, been raising funds primarily towards bursaries and, since 2019, towards 100% bursaries. The Head of Fettes College launched a new Strategic Vision for the school in September 2022, which is underpinned by several new facilities in the medium to long term. The Fettes Foundation will support the delivery of these projects, as required.

Objectives for the Year

The Foundation's objectives for the year were to:

- Prioritise raising major gifts towards 100% bursaries and secure unrestricted income.
- Secure major gifts and legacies towards other strategic priorities as opportunities arise and secure unrestricted income.
- Look after and thank supporters and planned legators
- Maximise the use of the database, continuing to enrich data in support of objectives and streamlining business processes.
- Meet all statutory obligations placed upon the Foundation and its activities.
- Exercise due diligence in the management of the Foundation's donations.
- Develop plans for 2023/24 and beyond.

Trustees believe these objectives were achieved.

In support of these objectives, to deepen and widen engagement with members of the Fettes Community, the Development Team:

- Used the Fettes Community portal to increase engagement.
- Delivered an in person and virtual events programme for the Fettes community
- Delivered the Fettes Career Partnership Programme.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Results for the year

Donations of £738,338 were received during the year which is £441,469 less than the £1,179,807 received in 2021/22. This means there has been, on average, £815,000 raised per annum since the Foundation was established in 1998.

During 2022/23 243 donors made donations to the Foundation, up from 199 donors in 2021/22. In addition to donations there was £441,460 of investment income being rental income and interest on bank deposits.

Donation income included £666,473 of restricted funds primarily to fund 100% bursaries which is £457,867 lower than the £1,124,340 raised in 2021/22.

Disbursements during the year from restricted funds amounted to £980,075 compared with £978,997 in the prior year, leaving restricted funds of £730,091 at the year end. Unrestricted reserves at the year-end amounted to £2,286,211. Included within unrestricted funds is an amount of £147,349 (2022: £343,079) which the Trustees have chosen to designate for the purpose of school buildings projects and £697 (2022: £697) which the Trustees have chosen to designate for the purpose of a school archive project.

Trustees' report (including directors' report) for the year ended 31 August 2023 (continued)

The resources expended in administering and promoting the fundraising activities of the Foundation totalled £275,390 during the year compared with £188,893 in the prior year. Hence, for every £1.00 expended, there was donation income of £2.69 (£6.24 in 2021/22 and an average of £4.46 over the last five years).

Reserves and Investment Policies

The Foundation's purpose of raising funds to provide financial and other support to Fettes College is an ongoing one and the Trustees will provide that support as funds are available and when suitable projects arise. Thus, as fundraising is continuous, the level of reserves will depend on the timing and level of support given to the College.

At the year end the cash available to meet future expenses and unrestricted donations, amounted to £77,598, which would cover approximately five months expenditure.

The Foundation's investments are held in property, with surplus cash held in interest bearing deposit accounts with the Bank of Scotland, part of Lloyds Banking Group. The objectives are to minimise risk and secure a commercial rate of return, and the Trustees are satisfied that these objectives have been achieved during the year.

RECORD OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Income from Donations

£738,338 income from donations was received in 2022/23. This did not meet the budgeted target of £846,230.

Donations are broken down as follows:

- Bursaries £622,398
- Unrestricted Gifts £71,865
- Special Projects £44,075

There was a total of 16 donations of £10,000 or more received in the year, as opposed to 14 in 2021/22.

The largest donation was a legacy gift of £110,011 received as a restricted donation towards bursaries from the estate of an Old Fettesian. Additional notable donations towards 100% bursaries were £100,000 from current parents, £66,000, being the second instalment of a five-year commitment from current parents, and £46,293, being the third of five increasing instalments to cover the fees and extras of a 100% bursary student, from an Old Fettesian. Aside from the aforementioned legacy, two other legacies were received.

Programmes and Activities

This was an extremely challenging year for the Foundation. Donations were secured towards 100% bursaries, in line with the ongoing strategy to continue to increase philanthropic income towards this priority area. However, despite the Development Team's best efforts, the fundraising target was not reached this year, with income down across major giving, annual giving and legacies.

Attempts were made to raise funds through small briefing events with one to one follow up, to cultivate major giving towards 100% bursaries. These have previously delivered significant income and this approach will continue in 2023/24, with performance monitored.

An annual appeal was mounted after an unsuccessful regular giving appeal last year. This also did not perform as well as in previous years, so will be under review in 2023/24.

A Fundraising Dinner was held to raise funds towards transformational bursaries, to cover extras such as sports tours, trips and music lessons. This proved to be highly successful and exceeded expectations.



Trustees' report (including directors' report) for the year ended 31 August 2023 (continued)

Resources were again invested in thanking donors. Specific and bespoke stewardship was delivered for major bursary donors. A full calendar of in-person stewardship events was run for the first time since pre-pandemic and these events were well attended.

This year also saw a number of staff changes, with two staff returning from Maternity Leave and the significant impact of the departure of the Director Development in early July 2023. After a thorough recruitment process, a new Director of Development was recruited and started in October 2023.

In addition, the Development Team continued to carry out various projects this year to deepen and widen engagement across the Fettes community. A programme of events and digital engagement was delivered by the Development Team, ensuring that the Team continued to fulfil its role to connect and empower the Fettes community across the globe to support each other and Fettes College. In addition to regular events, the Team supported the 150th anniversary of Carrington House in 2022/23.

The Fettes Community portal, funded by a Fettes Foundation donor, went from strength to strength. Since launching in April 2020, 2,278 users have signed up and 40% of them are ready and willing to support careers in a number of ways. This helps extend the reach and impact of the Fettes Career Partnership Programme, which continued to deliver a programme of in-person and virtual career-events this year with support from members of the Fettes community all over the world.

Looking forward to 2023/24, the Foundation has a significantly higher income target due to an expected legacy of £2.2m.

Staffing

In 2022/23 the Development Manager (Fundraising & Stewardship) and the Development Officer (Data & Research) returned to work after both being on Maternity Leave for most of 2021/22. The Development Manager (Fundraising & Stewardship) now works 0.91 FTE.

The Director of Development left her role at the start of July 2023 after eight years and was replaced in October 2023.

Key management personnel

The Director of Development is the key management person within the Foundation and whilst the remuneration is set by another body, Fettes College, it is at a rate which the Trustees believe is competitive within the Charity Fundraising sector.

FUTURE PLANS

Foundation Trustees are committed to the Foundation focussing on the following between 2021/22 and 2023/24:

- Strengthening major giving towards the Fettes Foundation.
- Increasing philanthropic income towards 100% bursaries.
- Raising philanthropic income towards capital projects, as required, and towards where the College needs it most (ie unrestricted income).
- Enriching our data.
- Supporting the Head's new Strategic Vision and assessing the feasibility of associated fundraising as required.
- Monitoring and evaluating activities to ensure they deliver a good return on investment.

Specifically, in 2023/24 the Development Team will support Foundation Trustees to deliver these aims by:

- Securing major gifts and annual income towards 100% bursaries.
- Securing major gifts and legacies towards other strategic priorities as opportunities arise and securing unrestricted income.
- Looking after and thanking supporters and planned legators.
- Maximising the use of the database, continuing to enrich data in support of objectives and streamlining business processes.

Trustees' report (including directors' report) for the year ended 31 August 2023 (continued)

The Development Team will also continue to deepen and widen engagement with members of the Fettes Community across the globe.

Trustees who served in the year

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A W B Torrens (until 22 June 2023)
N J Bolton
J C Lang
M Lino
B O Lloyd
A Nairn (until 22 June 2023)
A E H Salvesen CBE
E M Young
C G M Parbrook

Statement of Trustees' responsibilities

The trustees, who are also the directors of The Fettes Foundation for the purpose 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 Foundation and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

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

Auditor

Henderson Loggie LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.



Trustees' report (including directors' report) for the year ended 31 August 2023 (continued)

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.


Trustee

Date: 31/1/24

Eric Young

Independent auditor's report to the trustees and members of The Fettes Foundation

Opinion

We have audited the financial statements of The Fettes Foundation (the 'Foundation') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 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 (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 Foundation 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 the provisions available for small entities, in the circumstances set out in note 22 to the financial statements, 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 Foundation'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate 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; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the Foundation for the purpose 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

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

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

Independent auditor's report to the trustees and members of The Fettes Foundation

As part of our planning process:

- We enquired of management the systems and controls the Foundation has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the Foundation. We determined that applicable companies and charities legislation were most relevant.
- We considered the incentives and opportunities that exist in the Foundation, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the Foundation, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the valuation of investment property; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](https://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 Foundation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity'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 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Keith Macpherson

Keith Macpherson - 2024-01-31, 16:16:33 UTC

Keith Macpherson (Senior Statutory Auditor)
for and on behalf of Henderson Loggie LLP

Chartered Accountants

Statutory Auditor

Henderson Loggie LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

11 - 15 Thistle Street

Edinburgh

EH2 1DF



Statement of financial activities including income and expenditure account for the year ended 31 August 2023

	Note	Unrestricted funds 2023	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022	Total funds 2022 £
Income							
Donations and legacies	3	71,865	666,473	738,338	55,467	1,124,340	1,179,807
Investments	4	441,460	-	441,460	474,934	-	474,934
Total income		513,325	666,473	1,179,798	530,401	1,124,340	1,654,741
Expenditure on							
Raising funds	5	228,367	47,023	275,390	54,211	134,682	188,893
Charitable activities	6	128,841	933,052	1,061,893	328,834	810,242	1,139,076
Other		-	-	-	-	34,073	34,073
Total resources expended		357,208	980,075	1,337,283	383,045	978,997	1,362,042
Net gains/(losses) on investments		89,358	-	89,358	(266,693)	(1,396,403)	(1,663,096)
Net income/ (expenditure) for the year being also		245,475	(313,602)	(68,128)	(119,337)	(1,251,060)	(1,370,397)
Net movements in funds							
Fund balances at 1 September 2022		2,040,736 =====	1,043,693 =====	3,084,429 =====	2,160,073 =====	2,294,753 =====	4,454,826 =====
Fund balances at 31 August 2023		2,286,211 =====	730,091 =====	3,016,302 =====	2,040,736 =====	1,043,693 =====	3,084,429 =====

The statement of financial activities includes all gains and losses recognised in the year.

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

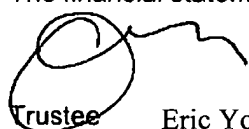
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Fettes Foundation

Balance sheet at 31 August 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	10		-		-
Investment properties	11		3,256,262		3,166,904
			<u>3,256,262</u>		<u>3,166,904</u>
Current assets					
Debtors	12	23,021		295,817	
Cash at bank and in hand		1,131,040		1,491,048	
		<u>1,154,061</u>		<u>1,786,865</u>	
Creditors amounts falling due within one year	13	(678,715)		(754,413)	
Net current assets			475,346		1,032,452
Total assets less current liabilities			3,731,608		4,199,356
Creditors: amounts falling due after more than one year	14		(715,306)		(1,114,927)
Net assets			<u>3,016,302</u> =====		<u>3,084,429</u> =====
Income funds					
<i>Restricted funds</i>	16		730,091		1,043,693
<i>Unrestricted funds</i>					
Designated funds	17	148,046		343,776	
General unrestricted funds		2,138,165		1,696,960	
		<u></u>	2,286,211	<u></u>	2,040,736
			<u>3,016,302</u> =====		<u>3,084,429</u> =====

The financial statements were approved by the Trustees on 31/11/24



Trustee Eric Young

Company registration number: SC189253



Statement of cash flows for the year ended 31 August 2023

	Note	£	2023 £	£	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20		(364,306)		1,074,355
Investing activities					
Interest paid on bank loans		-		(34,073)	
Investment income received		4,298		474,934	
Net cash generated from investing activities			4,298		440,861
Financing activities					
Repayment of bank loans		-		(1,433,333)	
Net cash used in financing activities			-		(1,433,333)
Net (decrease)/ increase in cash and cash equivalents			(360,008)		81,883
Cash and cash equivalents at beginning of year			1,491,048		1,409,165
Cash and cash equivalents at end of year			1,131,040		1,491,048
			=====		=====

1 Accounting policies

Charity information

The Fettes Foundation is a charitable company limited by guarantee, a registered Scottish Charity (No. SC028350), registered with OSCR and has no share capital; however, in the event of a winding up each one of the members undertakes to contribute such amounts as may be required not exceeding £1. The registered office is Fettes College, Carrington Road, Edinburgh EH4 1QX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The Foundation is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified by the carrying of investment properties at fair value.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for at least the next 12 months and, having identified no material uncertainties in respect of going concern, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives, being the provision of support to Fettes College. This includes designated funds which are those amounts of the unrestricted funds which the trustees have elected to designate and apply towards particular purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements but typically include the provision of bursaries and scholarships, the provision of equipment and the maintenance of fabric, the provision of financial assistance to pupils for school trips, the assistance of teaching of specific subjects and to assist in the development of specific capital projects at the College.

1.4 Income

Income is recognised when the Foundation is entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.



1 Accounting policies (continued)

Cash donations are recognised on receipt. Other donations are recognised once the Foundation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, receipt is probable and the amount can be measured reliably. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Costs of raising funds and governance costs are accounted for on an accruals basis and include irrecoverable VAT, where applicable. Staff and fundraising costs charged to restricted funds represent 20% of restricted income, together with certain direct costs associated with raising those funds, subject to a maximum of £25,000 per donor.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The Foundation has adopted a policy of capitalising individual items costing £500 or more with items below this limit being expensed.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer Software	25% on cost
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1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the Foundation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and at bank.

1.10 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The company is recognised as a charity by HMRC and no charge for taxation arises on its charitable income in the year.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



Notes to the financial statements (continued)

2 Critical accounting estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Investment Property Valuation

Investment property is carried at fair value, which is estimated by management using a discounted cash flow model.

3 Donations and legacies

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
Donations and gifts	71,865	550,461	622,326	55,467	680,960	736,427
Legacies receivable	-	116,012	116,012	-	443,380	443,380
	<u>71,865</u>	<u>666,473</u>	<u>738,338</u>	<u>55,467</u>	<u>1,124,340</u>	<u>1,179,807</u>
	=====	=====	=====	=====	=====	=====

4 Investments

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Rental income	437,163	474,704
Interest receivable	4,297	230
	<u>441,460</u>	<u>474,934</u>
	=====	=====

5 Raising funds

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
Other fundraising costs	66,548	13,703	80,251	11,810	38,394	50,204
Staff costs	161,819	33,320	195,139	41,439	93,933	135,372
Depreciation	-	-	-	962	2,355	3,317
	<u>228,367</u>	<u>47,023</u>	<u>275,390</u>	<u>54,211</u>	<u>134,682</u>	<u>188,893</u>
	=====	=====	=====	=====	=====	=====

Notes to the financial statements (continued)

6	Charitable activities	2023 £	2022 £
	Donations to Fettes College	1,054,743	1,133,576
	Share of governance costs (see note 7)	7,150	5,500
		<u>1,061,893</u>	<u>1,139,076</u>
		=====	=====
	Analysis by funds		
	Unrestricted funds	128,841	328,834
	Restricted funds	933,052	810,242
		<u>1,061,893</u>	<u>1,139,076</u>
		=====	=====

7	Supporting costs	Support costs 2023 £	Governance costs 2023 £	Total Costs 2023 £	Support costs 2022 £	Governance costs 2022 £	Total Costs 2022 £
	Audit fees	-	7,150	7,150	-	5,500	5,500
	Legal and professional	-	-	-	-	-	-
		<u>-</u>	<u>7,150</u>	<u>7,150</u>	<u>-</u>	<u>5,500</u>	<u>5,500</u>
		=====	=====	=====	=====	=====	=====
	Analysed between						
	Charitable activities	-	7,150	7,150	-	5,500	5,500
		=====	=====	=====	=====	=====	=====

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

9 Staff costs and employees

The Foundation has no employees; however the Foundation reimburses Fettes College for the services of the Director of Development, the Annual Fund Coordinator, the Development Manager, and administration support.

	2023 £	2022 £
Wages and salaries	162,648	110,323
Social security costs	18,189	13,240
Other pension costs	14,302	11,809
	<u>195,139</u>	<u>135,372</u>
	=====	=====

There were no employees whose annual remuneration was more than £60,000.



Notes to the financial statements (continued)

10 Tangible fixed assets

	Computer software £
Cost	
At 1 September 2022	22,791
At 31 August 2023	<u>22,791</u>
Depreciation and impairment	
At 1 September 2022	22,791
Depreciation charged in the year	-
At 31 August 2023	<u>22,791</u>
Carrying amount	
At 31 August 2023	-
	=====
	-
At 31 August 2022	=====

11 Investment property

	2023 £
Fair value	
At 1 September 2022	3,166,904
Net gains or losses through fair value adjustments	89,358
At 31 August 2023	<u>3,256,262</u>
	=====

Investment property comprises the Spens Building, a building owned by the Foundation, built on land leased from Fettes College. The fair value of investment property has therefore been determined by management as the present value of future rental income, discounted at a risk free rate of return, which is deemed to be 2.85%. Revaluation gains and losses in the current and prior year are allocated between restricted and unrestricted funds.

12 Debtors

	2023 £	2022 £
Amounts falling due within one year		
Trade debtors	-	287,307
Other debtors	13,827	1,899
Prepayments and accrued income	9,194	6,611
	<u>23,021</u>	<u>295,817</u>
	=====	=====

Notes to the financial statements (continued)

13 Creditors

		2023	2022
Amounts falling due within one year	Notes	£	£
Trade creditors		198,582	-
Other taxation and social security		3,600	273,900
Deferred income	15	437,162	474,704
Other creditors		33,211	-
Accruals		6,160	5,809
		678,715	754,413
		=====	=====

14 Creditors

		2023	2022
Amounts falling due after more than one year	Notes	£	£
Deferred income	15	715,306	1,114,927
		715,306	1,114,927
		=====	=====

15 Deferred income

	2023	2022
	£	£
Arising from prepaid income	1,152,468	1,589,631
	=====	=====
Deferred income is included in the financial statements as follows:		
Current liabilities	437,162	474,704
Non-current liabilities	715,306	1,114,927
	1,152,468	1,589,631
	=====	=====

There was opening deferred income of £1,589,631 (2022; £374,962), amounts released in the year totalled £437,163 (2022; £136,831), amounts deferred in the year totalled £nil (2022; £1,351,500).



The Fettes Foundation

Notes to the financial statements

16 Restricted funds

	Balance at 1 September 2021 £	Incoming Resources £	Resources Expended £	Revaluations, gains and losses £	Balance at 1 September 2022 £	Incoming resources £	Resources Expended £	Revaluation gains and losses £	Balance at 31 August 2023 £
School trips	22,704	-	(111)	-	22,593	1,875	(375)	-	24,093
Teaching	48,473	10,275	(5,595)	-	53,153	4,025	(4,577)	-	52,601
Bursaries and scholarships	565,694	1,037,130	(722,021)	-	880,803	622,398	(919,048)	-	584,153
Equipment / archives	74,999	39,840	(38,850)	-	75,989	30,225	(47,455)	-	58,759
School buildings	1,570,808	37,095	(211,500)	(1,396,403)	-	5,450	(5,360)	-	90
Sports	12,075	-	(920)	-	11,155	2,500	(3,260)	-	10,395
	<u>2,294,753</u>	<u>1,124,340</u>	<u>(978,997)</u>	<u>(1,396,403)</u>	<u>1,043,693</u>	<u>666,473</u>	<u>(980,075)</u>	<u>-</u>	<u>730,091</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====

The description of each element of the restricted funds shown in the table above indicates the purpose for which the funds have been donated and the type of activity/expenditure in respect of which the funds will be applied.

Notes to the financial statements (continued)

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 September 2021 £	Incoming/ Outgoing Resources £	Balance at 1 September 2022 £	Incoming/ Outgoing Resources £	Balance at 31 August 2023 £
School building projects	343,079	-	343,079	(195,730)	147,349
School archive projects	697	-	697	-	697
	<u>343,776</u>	<u>-</u>	<u>343,776</u>	<u>(195,730)</u>	<u>148,046</u>
	=====	=====	=====	=====	=====

18 Analysis of net assets between funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Fund balances at 31 August 2023 are represented by:						
Tangible assets	-	-	-	-	-	-
Investment properties	1,556,125	1,700,137	3,256,262	1,383,570	1,783,334	3,166,904
Current assets/(liabilities)	730,086	(254,740)	475,346	657,166	375,286	1,032,452
Long term liabilities	-	(715,306)	(715,306)	-	(1,114,927)	(1,114,927)
	<u>2,286,211</u>	<u>730,091</u>	<u>3,016,302</u>	<u>2,040,736</u>	<u>1,043,693</u>	<u>3,084,429</u>
	=====	=====	=====	=====	=====	=====

19 Related party transactions

There were no disclosable related party transactions during the year (2022 - £Nil).



Notes to the financial statements (continued)

20	Cash generated from operations		2023	2022
			£	£
	Deficit for the year		(68,128)	(1,370,397)
	Adjustments for:			
	Investment income recognised in statement of financial activities		(4,298)	(474,934)
	Interest paid on bank loan		-	34,073
	Fair value gains and losses on investment properties		(89,358)	1,663,096
	Depreciation		-	3,317
	(Increase)/decrease in debtors		272,796	(241,251)
	(Decrease)/increase in creditors		(38,155)	(129,180)
	Increase/(decrease) in deferred income		(437,163)	1,589,631
	Cash generated from/(absorbed by) operations		(364,306)	1,074,355
			=====	=====
21	Analysis of changes in net funds/(debt)			
		At 1		At 31
		September		August
		2022	Cashflows	2023
		£	£	£
	Cash at bank and in hand	1,491,048	(360,008)	1,131,040
		1,491,048	(360,008)	1,131,040
		=====	=====	=====
22	Non audit services provided by auditor			

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.