

Fettes College

Annual Report & Financial Statement

The Governors of the Fettes Trust (Fettes College) is a registered Scottish Charity, No. SC017489 and as such we produce an annual report which include details of our aims and objectives, achievements and performance as well as a full financial review.

Responsibility – Chair of the Board of Governors

The Governors of the Fettes Trust

**Report and Financial Statements
for the year ended 31 August 2022**

Scottish Charity number SC017489

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The Governors of the Fettes Trust

ADMINISTRATIVE AND LEGAL INFORMATION

Governors

The following persons served as Governors during the period from 1 September 2021 to the date of approval of these Financial Statements:

Name	Appointed by
The Rt Hon Lady Wise (Chair)	Senators of His Majesty's College of Justice
Mr R M Leckie (OF) (Deputy Chair)	Old Fettesian Association
Mr H W D Bruce-Watt WS (OF)	Society of Writers to His Majesty's Signet
Mr P L Gray KC (from 10 th March 2022)	Faculty of Advocates
Professor A E Thomas OBE	Royal College of Physicians of Edinburgh
Mr B R Aird	Co-opted
Mr G K Barrie	Co-opted
Mrs E L Goodburn (OF)	Co-opted
Mr P D Hunter	Co-opted
Mrs I A Keith	Co-opted
Mr J C Lang (OF)	Co-opted
Ms E McAreavey	Co-opted
Ms L S Paterson	Co-opted
Mr W Sinclair	Co-opted

(OF designates Old Fettesians)

The Standing Committees of the Board of Governors during the same period included the following:-

The Finance Committee (formerly the Executive Committee)

Mrs I A Keith Convener
Mr B R Aird
Mr H W D Bruce-Watt WS
Mr R Leckie
Mr W Sinclair
The Rt Hon Lady Wise

The Preparatory School Committee

Mr H W D Bruce-Watt WS Convener
Mr P D Hunter
Professor A E Thomas

The Risk Management Committee

Ms E McAreavey Convener
Mr G K Barrie
Mr K McDowell (by invitation)
Ms L S Paterson

Buildings Committee

Mr W Sinclair (Convener)
Mr J Beeton (by invitation)
Mrs C Pilz (by invitation)
Mr E M Young (by invitation)

Academic Committee

Mr P D Hunter (Convener)
Professor A E Thomas
Ms E L Goodburn
The Rt Hon Lady Wise

Nominations Committee

Ms E L Goodburn (Convener)
The Rt Hon Lady Wise
Professor A E Thomas
Mr P L Gray

Clerk to The Governors of the Fettes Trust

Mr C K Oliver OBE WS

ADMINISTRATIVE AND LEGAL INFORMATION (cont'd)

Head

Mrs H F Harrison

Bursar

Mr P J F Worlledge ACA

Registered Address

Fettes College
Carrington Road
Edinburgh
EH4 1QX

Place of Business

Fettes College
Carrington Road
Edinburgh
EH4 1QX

Auditor

Henderson Loggie LLP
11-15 Thistle Street
Edinburgh
EH2 1DF

Bankers

Bank of Scotland
43 Comely Bank
Edinburgh
EH4 1AF

Investment Managers

CCLA
One Angel Lane
London
EC4R 3AB

Scottish Charity Number

SC017489

The Governors of the Fettes Trust

Governors report

REFERENCE AND ADMINISTRATIVE INFORMATION

The governing body, The Governors of the Fettes Trust ("the Trust"), is a body corporate originally established under the Educational Endowments (Scotland) Act, 1882 and continued as a body corporate by various Schemes under the Education (Scotland) Acts (as amended) culminating in The Fettes College Scheme 2008 ("the Fettes Scheme") under and in terms of the Charities and Trustee Investment (Scotland) Act 2005.

The Trust is a registered Scottish charity (No. SC017489). The governing body is obliged under the Fettes Scheme to maintain and develop Fettes College ("Fettes" or "the School") as a school for boarding and day pupils. Details of the Governors, who are Trustees for the purpose of charity law, senior managers, advisers, and the principal address of the Trust are listed on pages 2 and 3 of this report.

This report and the attached financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 ("SORP (FRS 102)") and with current statutory requirements.

As part of its ongoing review of governance, the Governors have been reviewing the existing structure of the Trust, with a view to modernising it and thus enabling it to better fulfil its charitable purposes. As a result of that review, the Governors resolved to alter the legal form of the Trust from the existing body corporate to a charitable Company Limited by Guarantee ("CLG"). The Governors are of the view that a charitable CLG provides a more robust and flexible structure going forward. The intention was always that there would be no departure from the Trust's existing charitable purposes as a consequence of this change which took place with effect from 1st September 2022. The CLG, which is also a registered Scottish Charity (No. SC051259), will continue to use the Trust's funds and assets for the provision and advancement of education. The Fettes Scheme formed the basis of the new CLG's Articles of Association, with some updates incorporated therein.

The Head during the year was Mrs Helen Harrison.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board comprises up to nine elected governors and a balance of co-opted governors, such that the total size of the Board may not exceed 14 governors. The elected governors are drawn from the following bodies, any of which may be invited to elect one person:

- a) Senators of His Majesty's College of Justice;
- b) The City of Edinburgh Council, as the Local Education Authority;
- c) University Court of the University of Edinburgh;
- d) Faculty of Advocates;
- e) Society of Writers to His Majesty's Signet;
- f) Royal College of Physicians of Edinburgh;
- g) The Master's Court of the Company of Merchants of The City of Edinburgh;
- h) Edinburgh Chamber of Commerce; and
- i) Old Fettesian Association from among former pupils of Fettes College.

Governors are elected or co-opted as appropriate to provide a range of skills required to enable the Trust to fulfil its object of providing education to young people.

New Governors are inducted by briefings from the Clerk to the Governors, by initial meetings with senior management and subsequent regular visits to Fettes which includes both the Senior School for pupils between the ages of 13 and 18 and the Preparatory School for pupils between the ages of 7 and 13 ("the Prep School"). Governors are encouraged to take a specific interest in, and reporting responsibility for, one or more of the School's activities or facilities (in which they might have a particular interest or expertise). Governors are expected to attend all Board meetings and may also attend external courses relevant to the School and its operation or to its compliance with current regulatory requirements. Specifically in relation to safeguarding, and in accordance with the National Guidelines for Child Protection in Scotland (2021), the Governors undergo child protection training annually. The Governors conduct a process of self-assessment from time to time and this informs the Board as a whole as to any gaps in knowledge, skills or experience deemed necessary for the proper operation of the Board of Governors. Steps are then taken to remedy this through the co-option process of recruiting new Governors. Governor appointments and retirements are arranged to coincide with the end of the Financial Year in question.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Management

The Governors have overall responsibility for ensuring that Fettes provides the best possible education for its pupils, for determining the aims and objectives of the School in that context and for determining the policies and strategies that will best support and protect those aims and objectives. The Board meets four times a year to consider reports on the performance of the School and issues affecting it from senior management, individual Governors and sub-committees and its advisers. The Chair of the Board during the year was the Right Honourable Lady Wise.

In addition, a Finance Committee of Governors comprising a subset of the Board meets up to ten times a year. The Finance Committee reports to the Board and is responsible, inter alia, for overseeing the financial and operational activities of the School and the Trust's trading subsidiaries and for supporting and assisting, where necessary, the management of the School and, in particular, the Head, the Bursar and the Head of the Prep School. The Finance Committee, which replaced the Executive Committee with effect from 1st September 2021, consists of a Convener and at least four other Governors elected from the members of the Board. The Finance Committee's remit has remained broadly similar to that of the Executive Committee but with a particular emphasis on financial oversight.

The Preparatory School Committee consists of a Convener and at least three other Governors elected from time to time from among members of the Board. It has the power to co-opt other members from within or outside the Board and meets four times a year to consider and monitor the workings of the Prep School and to safeguard its interests within the overall strategy and objectives agreed by the main Board and Finance Committee for the School as a whole.

The Risk Management Committee, comprising a Convener and at least two other Governors, meets termly to recognise and consider risks possibly affecting either the School or the Trust and to assist the Board with the procedures necessary to control and manage risks, governance issues and other matters delegated to it from time to time by the Board. The Nominations Committee, comprising a Convenor and three other Governors, meets termly to assess the skillsets of the Board, identify gaps and plan for succession. The Academic Committee, comprising a Convenor and three further Governors, along with the academic leadership teams of both College and Prep School, meets once a term to monitor the School's academic performance and to consider future objectives to ensure both the curriculum and teaching meet current demands and parental expectations.

Two governors with specific responsibility for Safeguarding report regularly to the Board as a whole on matters involving Safeguarding within any part of the School community. The mechanism by which they are kept informed of relevant matters is covered in more detail below.

All of the aforementioned sub-committees of the Board have and report against formal terms of reference determined by the Board as a whole and have the authority to co-opt members not on the Board to supplement experience and expertise where appropriate.

The day to day management of the School is undertaken by the Head and the other members of the Senior Leadership Team, which includes the Head of the Preparatory School, the Senior Deputy Head, the Deputy Head (Academic), the Deputy Head (Pastoral) and the Bursar, all of whom regularly attend and report to the main Board and other Committees, together with other School managers as required. The Clerk to the Governors attends and minutes the Board meetings and Finance, Risk Management, Academic and Nominations Committee meetings.

Group Structure and Relationships

The Trust owns a trading subsidiary, Fettes Enterprises Limited ("Fettes Enterprises") which in turn has two wholly owned trading subsidiaries, Fettes Centre for Language & Culture Limited and Fettes International Limited. The activities and trading performance of these subsidiaries are discussed below. The board of directors of the trading subsidiaries comprise at least two Governors elected by the Board.

The Fettes Foundation is a separately registered charity (number SC028350), the aims of which are to support the education, health and well-being of pupils at Fettes by raising funds for investment in facilities and bursaries or by providing other direct financial aid to the School and its pupils. The Fettes Foundation is operationally independent and has its own Board of Trustees, some of whom are also Governors.

The Governors of the Fettes Trust

Governors report

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk Management

The Board is responsible for the management of risks faced by the Trust and its subsidiaries. Detailed consideration of risk is delegated to the Risk Management Committee, the Senior Management Team and the boards of the trading subsidiaries, with the Bursar acting as the co-ordinator between the groups. Risks are identified and assessed and controls established. Whilst these controls are reviewed throughout the year, a formal review of the Trust's risk management processes is conducted on an annual basis. The key controls used by the charity include:

- formal agendas for, and minuting of, all Board and Committee activity;
- detailed terms of reference for the Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies; and
- clear authorisation and approval levels for all expenditure.

Through the risk management processes established by the Trust, the Governors are satisfied that the major risks are identified and have been adequately assessed and mitigated, where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks are being adequately managed. The key risks facing a school like Fettes are predominantly financial, regulatory or performance based which can in turn be broken down into pupil numbers, cost control, compliance, safeguarding and quality of staffing amongst others. The Governors place huge emphasis on ensuring steps are taken by management to market the School to potential parents appropriately, to recruit and train exceptional staff and to ensure safeguarding and compliance is uppermost in all the School's operations.

The current economic and political climate in the UK raises the possibility of targeted pupil numbers not being achieved and, whilst Governors have seen no sign of any downturn in pupil numbers, the School continues to monitor levels of enquiries and registrations from existing and new sources of pupils.

The safety of the School's pupils and staff is of the utmost importance and the Governors have taken and continue to take significant steps to ensure the campus and buildings are secure and safe. Head of Security assumes responsibility for the day to day monitoring of the Fettes campus.

The health and safety of everyone at Fettes, including visitors, is of paramount importance to the Governors. A full-time Health and Safety Officer is employed to ensure that activities are carried out in a safe manner. The Health and Safety Officer consults with a Governor with specific responsibility for health and safety.

The care and welfare of students at Fettes is equally paramount to the Governors and their approach to this responsibility is covered in more detail later in this report. Underpinning the importance Governors attach to this matter is the appointment of two Governors with specific responsibility for Safeguarding, one of whom works closely with the pastoral team and Deputy Head in the Senior School and the other with the Prep School in discharging the School's responsibilities. Those governors also attend the School's safeguarding committee whose membership comprises the pastoral leadership teams of both Senior and Prep Schools, the child protection co-ordinators and an independent child protection consultant.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charitable purpose of the School is the advancement of education. It provides public benefit, encourages community engagement and enables School staff to take active roles in charitable endeavours.

Strategic Aims

The ongoing aim is to maintain exceptional educational standards and facilities, as well as preserving the assets of the Trust, and to develop facilities and services to meet current and future demands. This has resulted in the Governors determining a new governance model which will meet the challenges and demands of an increasingly complex regulatory, political and socio-economic world.

The Governors of the Fettes Trust

Governors report

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Strategic Aims (continued)

The Trust's objectives for the year were to:

- uphold the educational standards offered to the pupils and assist them in achieving their potential within a caring and happy environment;
- recruit new pupils and maintain the level of the pupil roll achieved in recent times whilst enhancing the boarding school ethos of Fettes;
- fully expend available funds for bursaries to those for whom a Fettes education is not otherwise accessible;
- promote the School and its activities to a wider audience and engage with its local community as far as practicable;
- maintain the environment and infrastructure of the School, its landmark building, its grounds and facilities;
- continue to implement the College Improvement Plan for the School to meet its future needs and challenges;
- meet all statutory obligations placed upon the Trust and its activities; and
- exercise due diligence in the management of the Trust's finances whilst meeting its objectives.

The Governors believe that, within the constraints imposed by the onset of the global pandemic, Covid-19, these objectives have been achieved successfully during the year.

During the year, the Head and the Governors consulted widely within the Fettes community to devise a new strategy for the school.

Fettes College's new vision and strategy, entitled *Fettes Moving Forward: A place to live. A place to learn. A place to grow.* are founded on the four key strands of learning, wellbeing, the community and people, each of which is integral to the ongoing success and growth of the school. There are many parts to all of these strands, including the design of a curriculum for the future, further broadening engagement in and with the local community and a steadfast belief in promoting a full boarding ethos but central to each in some way is the improvement and/or development of facilities to allow the vision to be fully realised.

Public Benefit

The gradual lifting of prolonged restrictions coupled with a heightened concern for health in several quarters had an impact on the extent to which the School and its students could deliver planned projects, fundraising and community engagement. The School has continued to establish and develop relationships with local agencies, however, and found innovative ways to continue service remotely through online channels.

The bond with the FetLor Youth club continues to grow through shared use of assets and resources with young people from both working together on a variety of projects, including gardening and FetLor renovations, climbing wall instructor lessons, use of the new Low Ropes Course at Fettes and young person interaction and mentoring.

Fettes continues to run the Fettes Kickstart bursary and works with five local primary schools to identify candidates who would benefit from a Fettes education despite not having the financial means to do so. This initiative sits alongside the core Fettes bursary awards scheme which is covered in more detail below and which seeks to offer financial support to any families who otherwise would not be able to afford the fees.

During and following the pandemic, Fettes staff collated and created a list of free educational resources for all young people in Scotland whatever curricula they were studying and promoted it on social media and via their website. Fettes also released home study and wellbeing guides specifically for home learning which are free to access for all.

Fettes continues to provide high levels of access and support to local communities which benefit a variety of children's groups, educational institutions and individuals. Focussing on long-term and regular engagement, the School remains home to clubs including the Fettes Chess Society and Captivate Drama. Both clubs offer learning and entertainment to more than 50 children from across Edinburgh on a weekly basis for no fee, although the prolonged restrictions have impacted attendance this year.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Public Benefit (continued)

During the pandemic the School continued to involve and support students from local Edinburgh High Schools with the careers programme. On Friday 11th February, over five hundred S5 and S6 students from Edinburgh High Schools joined the Fettes Lower Sixth Form for a Virtual Careers Day 'Exploring Higher Education', with an emphasis on mastering failure and resilience and on university choice and courses. The day ended with sessions on student finance with representation from SAAS. In addition, the Fettes Career Partnership Programme organised practice interviews for Oxbridge candidates, each candidate being paired with a subject specialist in their chosen field of future study. Students from Boroughmuir High School, Broughton High School, Currie Community High School, Drummond Community High School, Firrhill High School, James Gillespie's High School, Portobello High School, The Royal High School, Trinity Academy and Fettes College were supported through the interview process.

The annual Fettes Fourth Form Language Leaders' visit to local primary schools to assist with language learning was cancelled this year with every expectation that the project will restart next year.

The School continues to promote public benefit by offering the use of its many sporting facilities to local groups and schools. The sports pitches are utilised several times by a number of beneficiaries including local community sports clubs, Lacrosse Scotland, Scottish Cricket and Scottish Hockey.

During the year, Fettes once again hosted SuperTroop, an Edinburgh-based charity that supports up to 16 children aged 6 to 18 with physical and learning disabilities to have a holiday with their peers on the Fettes Campus, some returning holiday makers from previous years and some new ones. The week was led entirely by volunteers, including over 30 Fettes pupils and staff, some for the second year running and some for the first time.

Community Engagement

During the prolonged restrictions imposed by the pandemic, Fettes staff and students continued to help local communities by offering sewing groups and donating medical scrubs, delivering food and medicine for those in need, making and donating PPE and safety equipment, baking for elderly neighbours, collecting food parcels and delivering via foodbanks.

During the year, the Art Department continued working with a former artist in residence and with contacts developed within Artlink to develop and offer art activities and access to facilities to adults and young people with a range of disabilities. The Artlink initiative has been particularly successful as the department has further developed relationships with several artists and facilitators within the organisation. Owing to inevitable time and travel constraints experienced by the 'link' artists, the department has nevertheless continued to offer support and ideas in consultancy sessions. The department also organised a half day art activity for the SuperTroop holiday makers this year which was staffed by two art teachers and assisted by an OF who is currently at Art College.

'Opportutoring', the service option of teaching English to refugees online, developed by Old Fettesians, was a success in the first year and continues into 2022/23. The training and selection has taken place for the current Lower 6th with the first live lesson due to take place in January 2023.

The School's connection with Craigroyston Primary through Place2Be was once again suspended due to Covid restrictions but both schools and the charity have maintained a constant dialogue and the intention is to revive the project as soon as possible.

Two days per year are assigned as "Service Days" where almost all students venture into the local community to support ongoing projects and charities. The vast majority of these are still outside activities due to some indoor reluctance, but the relationships that have been built post Covid are strong and very rewarding. These include Lauriston Farm (community food gardens), Warriston Cemetery, various food banks, local care homes (Queens Manor and Cramond Residence) and Ukrainian aid support (Newbridge). Following the litter and recycling strikes across Edinburgh, the Fourth Form targeted local green areas and cycle paths with over 100 students collecting litter for six hours.

The Young Philanthropy Initiative runs in schools across Scotland every year. The Wood Foundation, founded by the oil entrepreneur Sir Ian Wood, provides £2,500 to each school. Students compete for this award on behalf of their chosen charity and must bid for £3,000 for a charity of their choice. The key criteria are that the organisation must meet a social need and that there must be a business plan for the £3,000 of funding. £500 of that sum comes from the host school, in this case Fettes. The panel of judges was impressed, as always, by the range of social issues that young Fettesians are interested in: homelessness, loneliness, disability, poverty, mental health and it was hard to pick a winner. Nevertheless, one group's approach did stand out and secured the award for About Youth, based in Wester Hailes. The team visited the charity, interviewed the founder and met some of the young people that About Youth works with. All of this – and the skills they learned about managing a team project – enabled them to speak passionately and persuasively, securing valuable funding.

Governors report

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES (continued)

Charitable Fundraising

Fundraising during the year was again impacted, albeit to a lesser extent than the previous year, by the Covid pandemic.

As has been the case for the last ten years, Harvest produce was collected and delivered to the storage facilities of Edinburgh City Mission's food banks. It is not possible to put a monetary value on this collection but, as is always the case, the School makes a significant contribution to the ongoing operation of these food banks.

This year the annual whole school charity run was reinstated with each of the Houses raising money for its chosen Charity. The aggregate sum raised across all the selected charities exceeded £10,000.

At the start of the Ukrainian refugee crisis, the Fettes community responded by donating large amounts of aid in the form of food, clothing, bedding, emergency medicines and toiletries. This was then processed with the help of Sixth Formers who volunteered in sorting, repackaging and labelling in English and Ukrainian 60 boxes and 50 bags of aid. These were delivered to transporters, co-ordinated by a local Ukrainian Society, which headed to Lviv and then to Kharkiv on Monday 21st March.

Following the success of the '24-hour Tyre Drag' fundraiser last year, this year's challenge was a 24-hour log pull which involved students working in pairs and shifts to carry a telegraph pole around the School campus from 6pm on 29th January to 6pm on 30th January. Over £6,000 was raised towards the SuperTroop 2022 holiday.

There were more than a dozen other fundraisers during the year, with whole school events, such as 'own clothes' days, and a good number of smaller scale House events, including the ever popular bake sales. Fundraising highlights for the year included two events which, together, raised over £8,500 for the Teapot Trust. In addition, £900 was raised for the Mountain Bothies Association, £600 for Save the Elephants, £500 for the Edinburgh Rape Crisis Centre, £450 for MIND, £400 for SCORE Scotland (which addresses racism), £400 for LGBT Scotland and £350 for the Society for the Sea Turtles of Kefalonia. As always, poppies were sold for Remembrance Sunday to raise funds for Poppy Scotland.

SAFEGUARDING

Care and Welfare of Students

Fettes College continues to prioritise and to take great pride in the high standard of pastoral care that it offers to all of its students. The care and welfare of our students is of fundamental importance and GIRFEC (Getting It Right For Every Child) principles are embedded into all areas of safeguarding in the School. The Pastoral Leadership Teams in both the Senior School and the Prep School work closely with the designated Safeguarding Governors to ensure that current legislation is adhered to and best practice is followed in all areas of boarding school life.

The health, safety and wellbeing of everyone in the Fettes community has remained the Governors' priority in the past year and the School has ensured that students access a high standard of pastoral care and academic support throughout and following the period during which challenging additional restrictions were imposed on the operations and management of the School. The leadership team consulted throughout with Health Protection Scotland and the Care Inspectorate to ensure the School was following all guidance and minimising risk, whilst also offering the best possible experience of school life for students.

The continued rise of Mental Health issues can still be seen both nationally and at Fettes and with students continuing to access the School's additional support services – life coaching, in-house counsellors and psychologists. House staff are also integrally involved in supporting the students. Peer support is also a significant element of the overall mental health care of students and this requires training and mentoring and student mental health ambassadors have delivered relevant and accessible sessions to both Prep and Senior School students.

Aside from the day to day oversight of staff wellbeing monitored by the Pastoral Leadership Team, the School's employee assistance package, WeCare, offers a wide range of medical, counselling and general support and advice, both in person and virtually and is available to all staff, whether directly involved in the care of students or not.

SAFEGUARDING (continued)

Diversity, Equity & Inclusion

The Governors are committed to the School's principal aim to nurture the individual while fostering a happy, well-ordered and caring community, as part of their ongoing aspiration for Fettes to be a school where everyone feels they belong and where they can be themselves. To that end, the Governors believe all members of the Fettes community, staff and students alike, have an individual responsibility to contribute positively to a tolerant, inclusive school society. This is supported by the excellent relationships between students and staff. Students are asked to pursue their own goals with enthusiasm but with respect for others; they are asked to treat others with empathy, understanding and tolerance.

Building on the initiatives which emerged out of the May 2021 Fettes Equality Group survey, two members of the pastoral team completed the Boarding Schools' Association DEI Lead Certificate Programme, attending several online training days throughout the session, listening to experts in the field and sharing examples of good practice. It was encouraging for them to discover that several of the recommendations of good practice are already well established in the Fettes culture.

In early 2022, the School entered into a partnership with Inclusion Labs whose aim is to embed diversity, equity and inclusion into every young person's educational, cultural and personal development. There is now a Working Group of staff (operational and teaching) and students who will help lead this change. In addition, the Chair and Head have written a Letter of Commitment which has been shared with the Fettes community. Inclusion Labs have now conducted an audit of the community as a means of establishing a baseline for what the college is currently doing and to help identify where priorities may lie and as a way of turning intent into action. In terms of longer-term goals and in acknowledgement of the significance of this work, the Governors have determined that the Head will seek to appoint a new Diversity Equity & Inclusion Lead this year.

Scottish Child Abuse Inquiry

The Scottish Child Abuse Inquiry (SCAI) was set up in 2016 to investigate historic abuse of children in any residential care setting in Scotland. Its remit covers the period from 1932 to 2014. For the purposes of the Inquiry, boarding schools fall within the definition of institutions which care for children and so Fettes, in common with other selected boarding schools in Scotland, willingly assisted the Inquiry. Fettes fully supports the aims of the Inquiry to give victims an opportunity to disclose their experience and for the school to listen and learn from the mistakes of the past. Throughout the process, Fettes has been collaborative, engaged, open and honest, supplying all information requested. Fettes has, following its first submission earlier in 2021 and its second submission later in the same year, issued a full and unreserved apology to anyone who suffered abuse at Fettes.

It is anticipated that the Chair of the Inquiry, Lady Smith, will issue her initial findings in late 2022 or early 2023 in advance of her final report later in 2023 and Fettes College will of course follow and adhere to any recommendations contained within the reports.

RECORD OF ACHIEVEMENTS AND PERFORMANCE

Pupil numbers and inclusion

During the year, the School offered primary and secondary education to boys (424) and girls (379) between the ages of 7 and 18. The School educated 803 pupils (2021 : 791) of whom 471 were boarders (2021 : 452) and 332 were day pupils (2021 : 339). The ratio of academic staff to pupils was at a healthy 1:6 during the year (2021 : 1:7). The pupil population was drawn as to 75% from Scotland and the rest of the UK with 25% living overseas and over 30 countries represented in the student body.

Bursaries, scholarships and other remissions totalling £2,683,286 (2021 : £2,678,882) were granted in the year representing 11.3% (2021 : 12.3%) of gross fees. Means tested bursaries amounted to 74% (2021 : 71%), non-means tested scholarships to 8% (2021 : 8%) and other remissions, including sibling remissions, to 19% (2021 : 21%) of the total.

82 pupils (2021 : 80) or 10% (2021 : 10%) of the School roll received means tested bursary assistance during the year, amounting to £1,975,513 (2021 : £1,902,641). 56 pupils or 68% of means tested award holders received awards in excess of 60% of the relevant fee and 42 of these received awards of at least 80% of the relevant fee, including 25 on a 100% remission.

The proportion of bursary and scholarship remissions financed by restricted funds was 15.6% with the remaining 84.4% funded from unrestricted, general funds. The policy of the Governors is that bursaries may be awarded to anyone who satisfies the standard entrance criteria but availability is necessarily limited because of the restricted funds available and the not inconsiderable burden laid on the general funds by such awards.

RECORD OF ACHIEVEMENTS AND PERFORMANCE

Academic achievements

After a hiatus of two years, schools saw a return to public examinations and Fettes staff and students responded superbly and the summer exam diet of the International Baccalaureate ("IB"), A Level, GCSE and Pre-U were all able to take place without disruption.

Nevertheless, 'adaptations' were put in place for IB examinations, with some qualifications reduced in scale. Specifically, the awarding of qualifications by the IB was determined by an assessment of externally marked Internal Assessments and examinations. In total, 49 students entered for the diploma and results were very encouraging for the 2022 cycle. Performance at the top end was particularly strong with over 50% of students achieving in excess of 38 points, the threshold for entry into top Russell Group universities such as Oxford, UCL or Edinburgh.

GCSE, A Level and Pre-U examinations were assessed using examinations, with coursework and oral components providing a proportion of the grade awarded in some subjects. In contrast with the approach taken by the IB, the School was 'spot' inspected by a Joint Council for Qualifications representative for GCSE and A Level regulated qualifications with no time for preparation, and the outcome confirmed and supported the School's approach and results. A Level results were outstanding at the top end with 23% of grades achieving A*, the highest on record for students sitting external exams. More than half of all grades achieved by students were at A/A*, which is impressive and a very important and desirable benchmark for the School. GCSE results were particularly strong, with 31% of all grades achieving level 9 and a remarkably good showing across the board; the students can feel very confident starting their Sixth Form programmes.

Members of the academic staff continued to undertake voluntary work in a number of associations, promoting and developing their particular subject and all of them were involved in the aforementioned Oxbridge interview evening for pupils from local, maintained schools. The School regularly acts as a centre for pupils outside the School wishing to be entered for exams administered by the English examination boards. The School is also an American College Testing (ACT) test centre and any students from the wider region who are applying to US and other international colleges and universities can choose to sit these tests at Fettes. In addition, whenever the School hosts US college information evenings run by travelling university admissions officers, students from school in Edinburgh and beyond are also invited.

This year saw the delayed 5 Year Evaluation of the School's International Baccalaureate Diploma Programme ("IBDP") held on this occasion via a virtual inspection. The process was as thorough as ever with the evaluation panel seeking interviews with Heads of Department, students, teachers, the Senior Leadership Team, Governors and the IB co-ordinator. In summary, the IB panel was very impressed with the School's provision, there were no 'requirements for change' and the IBDP remains an embedded and important part of the Sixth Form academic provision.

The Governors continue to believe that the combination of IB and A Levels offers the best possible set of options for senior students, and that the College's results demonstrate that it is clearly fulfilling its academic goals.

Curriculum Changes

The School constantly reviews its curriculum to ensure that it facilitates the best possible outcomes for its students. In particular, the School engages regularly with universities and has used that dialogue to inform decisions around the most appropriate subject options for certain specialist undergraduate courses.

Mindful of their responsibilities to ensure students are prepared academically for an ever changing environment for jobs and career choices, the Governors tasked the Academic Leadership Team to consider any gaps in the current curriculum offering. The outcome of that exercise and review was the recommendation of a new option into the Third Form and beyond: Engineering, Enterprise and Technology ("EET") is a course designed to fill a gap in the School's provision for design, innovation, technology and creativity. There is ongoing dialogue with other schools offering a similar course to understand how such a department could be incorporated into the School's existing academic provision.

The School is committed to retaining and building on the what was learnt about digital teaching and learning during the pandemic. The use of technology in the classroom is important but there needs to be a balance between using technology to enhance the provision whilst ensuring that students are still prepared to complete handwritten exams. An example of successful application is to encourage students to use 'digital inking' on their devices, thus harnessing the technology without losing the manual dexterity needed for handwritten exams. Ultimately, the desire is to strike a healthy balance between the amount of screen time students are exposed to and giving them experience of handling tangible resources such as books and newspapers and developing the written dexterity needed for drawing diagrams, which are still required for public examinations.

RECORD OF ACHIEVEMENTS AND PERFORMANCE

Other achievements

Numerous pupil societies continued to thrive at Fettes during the year, providing a lively and informed environment for pupils to develop their debating skills, their interest in politics, science, the arts and humanities.

As already mentioned, outside service continues to provide a platform for pupils and staff to support the local community, including assisting in local care homes, missions, hospitals, conservation trusts and schools, providing support for the elderly, the infirm and the less fortunate. The nature of that support has at times been different given the restrictions but imaginative nevertheless.

The School's inclusive and ecumenical Christian tradition is nowhere better exemplified than in the strength of attendance by pupils, including many of different faiths, at Chapel services throughout the academic year. The numerous contributions from pupils, staff and outside speakers that enliven the proceedings and bring sections of the whole School community together have happily returned to pre-pandemic levels of frequency this year.

Sport

Embedded as it is within the daily lives of all the students at Fettes, exercise and the sports programme in particular go from strength to strength each year. Sport and exercise play a major role in the life of the School and a culture of activity around campus is always evident. Over time, the School has replaced compulsion with a culture whereby students want to be involved in activities as they recognise the long-term health benefits. These benefits are not all physical of course and students are only too well aware of the importance an exercise programme has on their mental wellbeing.

The inclusive nature of the School's sports programme allows students more choice when it comes to their mode of exercise. 'Core' sports remain and expand all the time with girls' football added this year but opportunities for all to explore new activities are significant and this freedom of expression adds to the sense of enjoyment and achievement students feel when they participate, up to three times a week. The aim of any games and activity programme is to instil a lifelong love of sport and activity and that is evident from the level of engagement witnessed day in, day out.

The quality of the facilities, having them all centred on one campus and access to internal and external coaches inspires the students to give of their all and nothing demonstrated the School's 'culture of activity' more than the hugely enjoyable second 'Fit in February' challenge against Strathallan. Once again, the whole school community of over 1,000 took part and gained something from it. The community spirit was also clear to see at the three national hockey finals Fettes teams reached and over 400 students took part in both the Steeplechase and the Mile Relays and the whole school came out in force to participate or watch.

The School's sporting programme continues to cater for everyone including those with aspirations to both team and individual success. Hockey led the way with representation at three national finals and a whole host of youth internationalists demonstrating real strength in that programme. Rugby enjoyed notable success in the year with the School securing 5th place in the highly competitive top level of the Rugby Conference; most pleasing perhaps was the fact that every Rugby team player's contribution from each team will have been reflected in that result. Cricket was also extremely successful with the boys 1st XI losing in the national final and the girls 1st XI winning the inaugural girls competition. The Under 15 netball team also qualified for their first ever national final, losing a thrilling match by the narrowest of margins. In total there were 23 students gaining international honours in a vast range of sports including cricket, table tennis, rugby league, sailing, hockey, and lacrosse. Overall, it has been a good year for sport at Fettes. One of the main aims of the sports programme is to give students a positive relationship with sport that they can take into their life after Fettes; the Governors are happy that the School has achieved that aim.

Art

This year saw the first external moderation of candidates' work in GCSE and A level since 2019 and it was hugely uplifting to exhibit the students' work once more and be able to invite an external examiner to view live work. The response to the artwork was overwhelmingly positive and the excellent results were a fair and accurate reflection of the hard work and engagement of the students. Despite the disruption of their two-year course, the IB cohort nevertheless achieved strong grades, a testament to their diligence in difficult circumstances. A significant number of leavers gained offers and took up places at highly regarded and competitive colleges and universities to study Art, Design and Architecture.

The Governors of the Fettes Trust

Governors report

RECORD OF ACHIEVEMENTS AND PERFORMANCE (continued)

Drama

The Drama Department aims to maintain a high profile both within the School and beyond. It holds four major co-curricular productions per year as well as up to twenty shows as part of the assessment for the various qualifications offered. In addition, pupils are encouraged to work with professional companies, with several appearing in film, theatre and television work. The drama department collaborates with the music department regularly on musical theatre and a whole school production of *Guys and Dolls* brought live theatre back to the Fettes stage in the Spring Term. Also revived following the effects of the pandemic was the Middle School Play Festival, a huge success amongst the students.

Other output this year included naturalistic theatre, multi-cast narrative theatre, musical theatre, and physical theatre. The appointment of a new theatre technician has expanded the School's in-house on and off stage support and has already helped guide academic coursework pieces for GCSE and A-level Devised Drama presentations. Theatre continues to be a significant route for tertiary education with Fettesians going on to study both Drama and Technical Theatre.

Music

Although the Autumn term and some of the Spring term suffered in part from the prolonged restrictions, various iterations of orchestras and vocal ensembles began to take shape as the year progressed and it was pleasing to experience a renewed sense of enthusiasm after the hiatus. A small-scale Autumn Concert went ahead in the theatre in November, providing a welcome opportunity to get those ensembles back into the habit of public performance. The main event of the Spring Term was, of course, the School musical, *Guys and Dolls*, which benefited from the removal of virtually all restrictions. On the singing front, normal duties for the Chapel Choir were also severely disrupted and it was disappointing to cancel the Carol Service for a second year running but a return to the traditional Founder's Day service was well received by the choir. Instrumental teaching remains strong across the board and numbers here are as healthy as ever in almost all disciplines.

Combined Cadet Force and Outdoor Pursuits

The CCF at Fettes offers pupils the opportunity to experience, in a controlled and safe environment, some of the rigours, discipline and enjoyment of British Army training. The contingent is led by experienced and enthusiastic staff members but with increased emphasis on pupil involvement and responsibility. Specifically, senior cadets arrange internal promotional courses for junior cadets throughout the year and interview their successors for the Senior NCO positions. Meanwhile, they demonstrate their command ability by planning and implementing both the in-school CCF overnight exercise and field day, a complex full day of exercises, and weekly platoon training, all of which provide deep-rooted leadership experience.

As part of a trial in the year, the School moved away from compulsory service within the CCF and the Fourth Form instead took part in "The Challenge", a non-uniformed activity that introduces students to the soft skills of leadership through the medium of Outdoor Pursuits. The Challenge is still led by CCF cadets who act as role models with a view to encouraging students to volunteer into the CCF at the start of Fifth Form. The trial was very successful, with staff opting to instruct new activities within The Challenge syllabus, and will be formalised as a permanent change next year.

In July, there are typically centralised summer camps for the Army section offering a concentrated week of key developmental areas of the CCF syllabus: shooting, overnight exercises, adventurous training and a challenging setting for junior leadership. The summer camps are voluntary and in July 2022, 40 cadets attended Barry Buddon camp making it the largest camp in 10 years.

Cadet numbers in the CCF are at an all time high with Fettes CCF being one of the largest contingents within the 51X catchment area (Scotland and Northern Ireland). The key statistic this year will be the number of Fourth Form students who opt to join the CCF in Fifth Form.

During the year, following a two year hiatus, the School entered a team to compete in the Scottish Islands Peak Race, a gruelling event run over two nights and three days, sailing 160 nautical miles and running 51 miles up and down the islands of Mull, Jura, Arran and, finally, Troon. Training commenced in September for a May race and the Fettes team was placed a very respectable 10th overall out of a field of 39.

The School celebrates the Duke of Edinburgh Award Scheme and the Governors fully support the sense of personal responsibility and development it engenders. Almost the entire Third Form submits to the Bronze level with a significant proportion progressing to the Silver and Gold Award levels. This year, 45 students completed their Gold Award, culminating in a hiking expedition to Blair Atholl and Dunkeld and a canoeing expedition on Loch Tay.

RECORD OF ACHIEVEMENTS AND PERFORMANCE (continued)

Combined Cadet Force and Outdoor Pursuits

In tandem with the Duke of Edinburgh Award scheme, the Third Form once again submersed themselves in a week long field and activity camp during which the students could attempt activities and excursions not previously experienced and, at the same time, test their team, orienteering, problem solving and leadership skills in a safe but challenging environment. Over 110 students benefited from the experience which also included on this occasion an educational element to it, investigating a wetland habitat.

Piping and Drumming

Pipes and Drums remain a central part of life at Fettes and the department remains strong with over 100 pupils taking piping or drumming lessons each week from four instructors. It is very important that the School maintains a high calibre of instruction to encourage and enthuse pupils by example and, in that vein, Fettes is fortunate to count among its staff two members of the twice world championship winning band, Inveraray and District Pipe Band, in which they participate alongside their school commitments. The team was further bolstered this year by the appointment of a piping instructor who currently plays for one of the top Grade 1 bands in the world – St Lawrence O'Toole.

During the year, Fettes hosted the 2022 CCF Scottish Schools Pipe Band and Highland Dance Championships, having previously hosted the competition in 2011. Participants from eight schools across Scotland produced a high standard of solo piping and drumming, two pipe band competitions, and an array of Highland Dancers competing in the Drama Theatre. The day finished with a Massed Bands parade on the Head's Lawn.

An important part of piping and drumming at Fettes is the ability to offer help to pupils, financially or otherwise, and a recent donation will shortly be directed to one or more pipers that need their own set of bagpipes and who otherwise would not be able to afford this significant outlay.

Business plans and related developments

The Trust is a charity and is non-profit making. All surpluses are applied to ongoing investment in the fabric of the school, further facilities development or the repayment of loans for the benefit of the Trust's primary purpose. Its trading subsidiaries are run commercially with the objective that their profits should be donated to the Trust for the benefit of the School.

Following the significant investment in teaching facilities in recent years, the Governors are determined that Fettes should be the employer of choice for aspiring teachers as well as school of choice for students and parents alike.

The Governors have recently finalised their strategic vision for the School which is underpinned by a substantial facilities development programme and envisages several new facilities and ventures, two priorities of which are a new Science and Innovation building and a very significant rolling programme of boarding house and pupil welfare improvements. The first of these projects was the reorganisation of existing and the creation of new space within Craigleith to accommodate the increased demand for boarding within the School. At the same time, new Sixth Form day study facilities were constructed adjacent to Craigleith, providing a spacious and calm environment for study. The Governors are mindful of their obligations as custodians of the school to place sustainability at the forefront of any initiative or development and were pleased to identify an accommodation solution which is drawn entirely from locally sourced sustainable timber.

In keeping with the Craigleith accommodation solution, the Governors continue to place great emphasis on minimising the environmental impact of the school and its operations. To that end, all new construction and refurbishment projects are being designed with sustainability in mind. The School has already had significant success with the installation of ground source heat pump systems into new developments and is in the process of considering air source heat pumps and related technology in some locations to support existing services.

The trading subsidiaries, Fettes Enterprises and Fettes Centre for Language & Culture Limited ("FCLC"), have seen a significant upturn in business following what was, in effect, a total lockdown in the previous year. Specifically, FCLC was able to offer its usual international summer school experience, albeit to slightly reduced numbers, and Fettes the Venue, the division charged with generating income from School assets during the holidays for accommodation, weddings and sports camps, was able to capitalise on a strong demand from schools, clubs and businesses requiring accommodation and facilities within Edinburgh. All of these activities widen access by the public to the facilities at Fettes and raise the profile of the School in its local community and further afield. By using School assets which would otherwise be unused during the holidays, these subsidiaries make a valuable contribution to the School. Westwoods Health Club has been similarly affected as it has moved from a lockdown to a difficult cost of living environment which is forcing members to consider their priorities very carefully. Staff and members have nevertheless shown remarkable imagination and resilience throughout the year as members have

The Governors of the Fettes Trust

Governors report

RECORD OF ACHIEVEMENTS AND PERFORMANCE (continued)

Business plans and related developments (continued)

delighted in returning to in person fitness classes and an upgraded gym. There has been a marked increase in membership interest and levels in the later months of the year but retaining members is becoming ever more challenging in the current climate.

The Governors have continued to support and strengthen relations between the School and its former pupils, parents and other supporters. The Old Fettesian Association is thriving and the Trust continues to develop its links with the Association. The Governors are particularly grateful to The Fettes Foundation, a separately registered charity, which raises substantial sums to help with new facilities at the School and donate funds for bursaries, renewal of facilities and numerous other activities.

Fettes College Guangzhou

Fettes College Guangzhou ("FCG"), a purpose-built school in southern China that bears the Fettes name, is owned by Bright Scholar Education Holdings, the country's largest operator of K-12 schools. Now in its third year of operation, FCG is led by two new co-Heads of College who have worked together for many years in some of China's top international and bilingual schools. With their extensive experience and established working relationship, they are uniquely placed to take the school forward.

The FCG campus boasts superb facilities and is an authentic representation of the blended living and learning environment of the school in Edinburgh. Boarding and holistic education are identifiable elements of the Fettesian ethos.

Significant reforms to the regulatory environment governing private education in China have come into effect, presenting challenges for the entire sector. The changes affect areas of curriculum, staffing and commercial activity and China's continuing zero-tolerance Covid strategy continues to make the recruitment and retention of international staff more challenging.

Special dispensation has been granted for a one year secondment of a Fettes College representative for academic year 2022/23 to provide liaison support as well as quality assurance and inspection.

FINANCIAL REVIEW

Results for the year

The total income of the Trust for the year to 31 August 2022 amounted to £22,242,139 compared with £20,715,792 in 2021. This included £1,151,629 of donation and similar income (2021: £932,727), over which the Trust has no direct control. Incoming resources from core charitable activities income, primarily fee income, amounted to £20,988,182 (2021: £19,565,410), whilst investment income was £67,209 (2021: £217,653).

Investments in a portfolio of listed equities and bonds and a secured loan to the trading subsidiary, Fettes Enterprises, together form the Combined Investment Fund. Income arising from the Combined Investment Fund is generally restricted to providing bursaries and scholarships to pupils attending the School.

Total Trust expenditure amounted to £21,024,848 (2021: £18,604,608), and the largest component of costs remained staffing which at £13,215,923 (2021: £12,336,168) constituted 63% (2021: 66%) of the total.

Net income for the year before investment gains was £1,217,291 (2021: £2,111,184).

The Combined Investment Fund's investment policy is considered and monitored annually by the Governors and a sub-committee comprising a Governor, the Bursar and the Finance Manager meets quarterly with the Investment Manager to discuss factors, both internal and external, which should be brought to the attention of or may be of interest to the wider Board of Governors. At present, the investment policy is to reinvest all income earned in pursuit of capital growth. The Trust invests any monies not immediately required for current purposes in a combination of immediate cash and interest-bearing cash funds. The investment of restricted funds in equities and bonds was managed during the year on behalf of the Trust by CCLA.

During the year the Combined Investment Fund increased by £102,942 (2021: increased by £1,765,182) due to losses on investments of £197,058 (2021: increased £1,015,182) and donations of £300,000 (2021: £750,000).

At a consolidated level net income of £1,168,221 (2021: £3,307,071 as restated) is reported. Total consolidated fund balances were £26,814,097 (2021: £25,645,876 as restated). The reasons and rationale for the restatement is set out in note 1 to the financial statements.

The Governors of the Fettes Trust

Governors report

FINANCIAL REVIEW (continued)

Results for the year (continued)

The consolidated statement of financial activities and the consolidated balance sheet bring together the activities of the Trust and Fettes Enterprises along with its subsidiaries Fettes Centre for Language & Culture Limited and Fettes International Limited, all of the subsidiaries being audited by the Trust's auditor.

Fettes Enterprises owns and continued to manage the Westwoods sports centre, retail, events management and letting and divisions reported a trading loss of £193,983 (2021: loss of £351,379). No Gift Aid payments were claimed by the Trust during the year (2021: £nil).

Reserves policy

The reserves of the Trust are held for the furtherance of its charitable objects as described above. Through their budgeting and financial planning processes, the Governors seek to ensure that the School's operating commitments are met in full and that sufficient cash is generated to permit continuing investment in facilities to support the educational objectives of the Trust.

Incoming resources have been used during the year for their intended purpose as detailed in these Financial Statements.

The Group holds three broad categories of funds: endowment funds, where the capital element of the funds is generally held in perpetuity and the income is used for the purposes laid out by the donor; restricted funds, where the capital and interest are used for the purposes laid out by the donor; and unrestricted funds, which are used to fulfil the aims and objectives of the School.

The Group's policy on all restricted funds (endowed or otherwise) is to keep a separate record of donations, grants and other sources of fund-raising where restrictions are imposed that are narrower than the School's overall objectives.

All endowed funds are held within the Combined Investment Fund. The Fettes Foundation runs general and specific fund-raising programmes for the benefit of the Trust, and separate endowed and restricted funds are set up as appropriate following these appeals. The focus is on raising funds, not only for specific capital projects (each project will have its own target), but also to increase the level of funds held within the Combined Investment Fund available for bursaries for those who would benefit from a Fettes education but whose parents or guardians cannot afford the full School fees.

The funds of the Combined Investment Fund are restricted by the provisions of the donors' gifts and the purpose of each of these funds is described in the notes to the accounts. At 31 August 2022 the funds represented £9,728,079 (2021: £9,625,137) of Permanent Endowment Fund reserves and £1,704,835 of Restricted Fund reserves (2021: £1,447,356) and is represented by listed investments and a loan to the Westwoods sports centre.

At 31 August 2022 the Trust's Unrestricted Fund reserve amounted to £16,249,434 (2021: £15,635,117) and is represented in the main by the fixed assets of the School and its investment in the Westwoods sports centre. After deduction of the amounts represented by tangible fixed assets the Trust's unrestricted fund reserve would be negative. This reflects the financing structure of the Trust.

The Governors consider that access to liquidity is a priority, and that the School can, with reasonable accuracy, predict its income level for at least a period of a year. Fees are received in advance of each term and used to fund the expenses of that term, the repayment of loans and capital expenditure. The Governors have set a minimum desirable level for liquid assets (defined as cash at bank and in hand and bonds with a maturity of less than one year but excluding fees received in advance) of £1m. Liquid assets at 31 August 2022 were £1,703,346 (2021: £7,013,909).

The significant reduction in liquid assets at 31 August 2022 compared to the prior year is explained by the decision to refinance the Trust. All outstanding bank loans have been repaid with corresponding release of standard securities held over assets and replaced by a revolving credit facility. This facility provides the Trust with the flexibility to draw cash as required while ensuring that only necessary levels of cash are borrowed from the facility at any one time.

The Governors believe that the level of reserves, restricted and unrestricted, is adequate to cover the purposes for which they are intended. The Group's reserves policy is reviewed annually, and the Governors consider it appropriate for the financial statements to be prepared on a going concern basis.

The Governors of the Fettes Trust

Governors report

FUTURE PLANS

The School continues to go from strength to strength and demand for places remains strong. The main priorities for the coming year include ensuring the School provides appropriate facilities for the all-round education of its pupils.

During the year, the Governors concluded their strategic vision for the School, *Fettes Moving Forward: A place to live. A place to learn. A place to grow.* Underpinning that vision is a strong statement that the size of the school is not to increase, that boarding remains central to the school's ethos and a substantial facilities and infrastructure development programme which adds to or improves resources within the teaching of Science and Innovation and wellbeing to name but a few.

This is therefore an exciting time for Fettes College as it embarks on the delivery of the Governors' new vision for the school, which includes a very significant and ambitious facilities development programme over the next 5 to 7 years through a combination of new debt facilities, internal resources and philanthropy. A recently approved £21.5 million funding facility arranged through HSBC is now available to support those key projects.

Fettes College has now concluded a significant restructure of its constitution, originally established as a body corporate under statute in 1870. The new entity, a company limited by guarantee and also a charity, represents a much more modern approach to governance whilst retaining elements of the original Trust scheme under which it was originally created.

Furthermore, it remains one of the Governors' core aims to maintain the levels of financial assistance available to students otherwise unable to attend the School and consideration is being given to the many ways in which the School's endowment fund, so important to the long-term provision of such assistance, can be enhanced to assist in this regard.

The Governors continue to place significant emphasis on delivering the financial targets of the Trust. Meeting financial targets will require careful management of fees and costs, the continued promotion of excellence in education and of the School and its activities generally to the parent body and to the local, national and international community.

The Governors are keenly aware of the challenges presented by the continued uncertain political and economic outlook and will monitor the situation carefully, taking appropriate contingency action in the event that economic conditions so dictate. Specifically, the Governors must consider what measures may need to be taken to mitigate these uncertainties: such measures may include, but not be limited to, maximising fee income, reviewing the current arrangements for teachers' pensions, reducing other costs and controlling bursary expenditure.

The Governors continue to believe strongly in the public benefit provided by the School and regard it as of importance that the Trust maintains its status as a not for profit charity.

KEY MANAGEMENT PERSONNEL

Key management personnel include the Head, Senior Deputy Head, Deputy Head (Academic), Deputy Head (Pastoral), Prep Headmaster and Bursar. The Governors set the pay at rates which they believe are competitive within the Independent Schools sector and make use of benchmarking reporting to achieve this.

GOVERNORS RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing the financial statements the Governors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Trust will continue in operation.

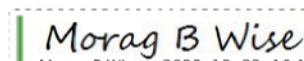
The Governors of the Fettes Trust

Governors report

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust 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 and the provisions of The Fettes College Scheme 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of
The Governors of the Fettes Trust


Morag B Wise – 2022-12-22, 10:17:30 UTC

The Rt Hon Lady Wise
Chair of the Board of Governors

Independent Auditor's Report to the Governors of the Fettes Trust

Opinion

We have audited the financial statements of The Governors of the Fettes Trust (the Trust) and its subsidiary companies (the group) for the year ended 31 August 2022 which comprise the Consolidated and Trust Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated and Trust Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and Trust's affairs as at 31 August 2022 and of the group's and Trust's incoming resources and application of resources 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 regulations 6 and 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 group and parent Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 group's and the Trust'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 Governors with respect to going concern are described in the relevant sections

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 Governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Governors' Report; or
- proper accounting records have not been kept by the Trust; or
- the Trust financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governors

As explained more fully in the Statement of Responsibilities of the Governors, the Governors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the group's and the Trust'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 Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act 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 our procedures are 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the company 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 company. We determined that the following were most relevant: Health and Safety, employment law (including payroll and pension regulations), data protection and charity legislation.
- We considered the incentives and opportunities that exist in the company, 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 company, 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:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board meeting minutes;
- Reading correspondence with regulators including OSCR;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to depreciation rates and bad debt provisions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Extent to which our procedures are capable of detecting irregularities including fraud (continued)

Owing to the inherent limitations of an audit, there is an 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trust's Governors, 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 Trust's Governors as a body, 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 Trust and the Trust's Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Henderson Loggie LLP

Henderson Loggie LLP
Chartered Accountants & Statutory Auditors
11-15 Thistle Street
Edinburgh
EH2 1DF

23 December 2022

The Governors of the Fettes Trust

Consolidated statement of financial activities for the year ended 31 August 2022

		Unrestricted	Permanent Endowment	Restricted	Total 2022	Total 2021 as restated
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	331,635	300,000	519,994	1,151,629	932,727
Charitable activities	4	20,988,182	-	-	20,988,192	19,565,410
Other trading activities	5	2,472,220	-	-	2,472,220	1,504,364
Investments	6	17,091	-	9,497	26,588	171,367
Total income and endowments		23,809,128	300,000	529,491	24,638,619	22,173,868
Expenditure on:						
Raising funds – Investment management fee		-	-	7,625	7,625	42,169
Charitable activities	7	20,823,520	-	89,525	20,913,045	18,477,344
Trading activities		2,307,175	-	-	2,307,175	1,584,392
Total expenditure		23,130,695	-	97,150	23,227,845	20,103,905
Net (losses)/gains on investments		-	(197,058)	(45,495)	(242,553)	1,237,108
Net income before transfers		678,433	102,942	386,846	1,168,221	3,307,071
Transfer between funds		129,367	-	(129,367)	-	-
Net movement in funds		807,800	102,942	257,479	1,168,221	3,307,071
Reconciliation of funds						
Fund balances at 1 September 2021		14,573,383	9,625,137	1,447,356	25,645,876	22,338,805
Fund balances at 31 August 2022		15,381,183	9,728,079	1,704,835	26,814,097	25,645,876

All income and expenditure derive from continuing activities.

The Governors of the Fettes Trust

Trust statement of financial activities for the year ended 31 August 2022

	Note	Unrestricted £	Permanent Endowment £	Restricted £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and legacies	3	331,635	300,000	519,994	1,151,629	932,727
Charitable activities	4	20,988,182	-	-	20,988,182	19,565,410
Other trading activities	5	35,119	-	-	35,119	2
Investments	6	17,079	-	50,130	67,209	217,653
Total income and endowments		21,372,015	300,000	570,124	22,242,139	20,715,792
Expenditure on:						
Raising funds – Investment management fee		-	-	7,625	7,625	42,169
Charitable activities	7	20,927,698	-	89,525	21,017,223	18,562,439
Total expenditure		20,927,698	-	97,150	21,024,848	18,604,608
Net gains/(losses) on investments		-	(197,058)	(45,495)	(242,553)	1,237,108
Net income before transfers		444,317	102,942	427,479	974,738	3,348,292
Transfers		170,000	-	(170,000)	-	-
Net movement in funds		614,317	102,942	216,846	974,738	3,348,292
Reconciliation of funds						
Fund balances at 1 September 2021		15,635,117	9,625,137	1,447,356	26,707,610	23,359,318
Fund balances at 31 August 2022		16,249,434	9,728,079	1,664,202	27,682,348	26,707,610

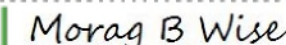
All income and expenditure derive from continuing activities.

The Governors of the Fettes Trust

Balance sheet at 31 August 2022

	Note	Group 2022 £	Group 2021 as restated £	Trust 2022 £	Trust 2021 £
Fixed assets					
Tangible fixed assets	11	25,894,034	25,761,415	22,510,738	22,372,781
Investments	12	8,606,034	8,018,753	13,546,008	12,809,394
		<u>34,500,068</u>	<u>33,780,168</u>	<u>36,056,746</u>	<u>35,182,175</u>
Current assets					
Stock		201,693	213,386	-	-
Debtors	13	3,327,283	1,954,676	2,869,755	1,361,120
Cash at bank and on hand		1,808,578	7,168,741	1,703,346	7,013,909
		<u>5,337,554</u>	<u>9,336,803</u>	<u>4,573,101</u>	<u>8,375,029</u>
Creditors					
Amounts falling due within one year	14	(10,921,670)	(7,992,590)	(10,845,644)	(7,371,089)
		<u>(5,584,116)</u>	<u>1,344,213</u>	<u>(6,272,543)</u>	<u>1,003,940</u>
Net current assets/(liabilities)					
		<u>(5,584,116)</u>	<u>1,344,213</u>	<u>(6,272,543)</u>	<u>1,003,940</u>
Total assets less current liabilities		<u>28,915,952</u>	<u>35,124,381</u>	<u>29,784,203</u>	<u>36,186,115</u>
Creditors					
Amounts falling due outwith one year	14	(2,101,855)	(9,478,505)	(2,101,855)	(9,478,505)
		<u>(2,101,855)</u>	<u>(9,478,505)</u>	<u>(2,101,855)</u>	<u>(9,478,505)</u>
Total net assets		<u>26,814,097</u>	<u>25,645,876</u>	<u>27,682,348</u>	<u>26,707,610</u>
Funds	18				
Restricted funds		1,664,202	1,447,356	1,704,835	1,447,356
Permanent endowment funds		9,728,079	9,625,137	9,728,079	9,625,137
Unrestricted funds		15,421,816	14,573,383	16,249,434	15,635,117
		<u>26,814,097</u>	<u>25,645,876</u>	<u>27,682,348</u>	<u>26,707,610</u>

These financial statements were approved by the Trustees on 8 December 2022 were signed on their behalf by:


Morag B Wise – 2022-12-22, 10:17:30 UTC

The Rt Hon Lady Wise
Chair of the Board of Governors

The Governors of the Fettes Trust

Statement of cash flows for the year ended 31 August 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Net cash inflow from operating activities	19	4,127,065	3,663,562	4,127,281	3,518,325
Investing activities					
Investment income		26,588	171,367	67,209	(198,653)
Payments to acquire fixed assets		(1,460,962)	(934,979)	(1,302,866)	(908,654)
Net cash transferred to investment managers		(750,000)	(300,000)	(899,333)	(300,000)
Net cash outflow from investing activities		(2,184,374)	(1,063,612)	(2,134,990)	(1,010,001)
Financing activities					
Loan repayments		(7,193,743)	(998,551)	(7,193,743)	(998,551)
Bank loan interest		(109,111)	(238,792)	(109,111)	(238,792)
Net cash outflow from financing activities		(7,302,854)	(1,237,343)	(7,302,854)	(1,237,343)
(Decrease)/Increase in cash and cash equivalents		(5,360,163)	1,361,975	(5,310,563)	1,270,981
Cash and cash equivalents at start of period		7,168,741	5,806,766	7,013,909	5,742,928
Cash and cash equivalents at end of period		1,808,578	7,168,741	1,703,346	7,013,909

Cash and cash equivalents is represented by cash at bank.

The Governors of the Fettes Trust

Notes to the financial statements

1 Accounting policies

Charity information

The Trust is a registered Scottish Charity (No. SC017489). The governing body, The Governors of the Fettes Trust ("the Trust"), is a body corporate originally established under the Educational Endowments (Scotland) Act, 1882 and continued as a body corporate by various Schemes under the Education (Scotland) Acts (as amended) culminating in The Fettes College Scheme 2008 ("the Fettes Scheme") under and in terms of the Charities and Trustee Investment (Scotland) Act 2005. The registered office is Fettes College, Carrington Road, Edinburgh, EH4 1QX.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified for fair value as appropriate, and are in accordance with 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) ("SORP (FRS 102)"). The financial statements have also been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

The Trust is a Public Benefit Entity, as defined by FRS 102.

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

Consolidation

The consolidated financial statements consolidate the financial statements for the year ended 31 August 2022 of the Trust, its wholly owned subsidiary, Fettes Enterprises Limited, and that company's wholly owned subsidiaries Fettes Centre for Language & Culture Limited and Fettes International Limited.

The financial statements of Fettes Active Limited, a subsidiary of the Trust, are not consolidated as that company has been dormant throughout its financial years ended 31 August 2022 and 2021 and is immaterial.

The financial statements of The Fettes Foundation are not consolidated as it is a separate charity not directly under the control of the Trust.

Going concern

The parent Trust and its subsidiaries were affected significantly by the coronavirus pandemic, with facilities being closed as a result of lockdown measures that were implemented in the UK. This impacted primarily the subsidiaries and the governors took steps during 2021/22 to address losses sustained. The Governors have updated their sensitised cash flow forecasts to take account of operating conditions as these have returned closer to normality, while being aware of rising inflationary cost pressures. While the group and Trust are now reporting net current liabilities at the balance sheet date this reflects the refinancing in year, with repayment of loans and significant revolving credit facilities being secured.

The Governors are therefore confident that the Group has the financial resources to allow it to remain able to meet its liabilities and continue in operational existence for a period of at least twelve months from the approval of these financial statements. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Pension arrangements

The Trust participates in the Scottish Teachers' Superannuation Scheme which provides benefits based on final pensionable pay. The scheme is a multi-employer defined benefit scheme which, in common with other Government pension schemes, is unfunded in that there is no earmarked fund of assets underlying the scheme. The Trust is unable to identify its share of the underlying liabilities of the scheme and therefore accounts for the contributions to the scheme as if it were a defined contribution scheme. Non-teaching staff are entitled to join a separate defined contribution scheme, the assets of which are held separately from those of the Trust. Pension costs are charged to the statement of financial activities in the year to which they relate.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (continued)

Fixed assets and depreciation

Fixed assets are initially recorded at cost. Major improvements works are capitalised. Expenditure on individual assets costing less than £5,000 may be expensed. Depreciation is not provided on land but is provided on all other fixed assets and expenditure incurred on the school buildings at rates calculated to write off the cost less estimated residual value evenly over the life of each asset as follows:

Expenditure incurred on buildings	- 2% to 5%
Vehicles, plant and machinery	- 10 and 20%
Boarding house furniture and fittings, sports facilities, pianos	- 10%
Kitchen equipment	- 15%
Computer equipment	- 20%

Assets in the course of construction are not depreciated until they have been completed and are available for use.

Impairment of fixed assets

At each reporting date, the Trust 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income and expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

The Trust 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. Financial instruments are recognised in the Trust's balance sheet when the Trust 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 trade and other receivables 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.

Other non-basic financial assets

Other financial assets, including interest rate swaps, investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in income and expenditure.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts 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 payables 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 Trust's contractual obligations expire or are discharged or cancelled.

Operating leases

Rentals payable under plant and machinery operating leases are charged to expenditure on a straight-line basis over the lease term.

Income from charitable activities

Income from charitable activities comprise school fees and ancillary income receivable in the period. School fees are stated after deducting bursaries, scholarships, and sibling and forces remissions.

Deferred income

Fees received for which entitlement falls in future periods are deferred and are recognised as income in the period to which they relate. Deposits held in respect of pupils are presented as either current or non-current liabilities on the basis of an estimate of the timing of the settlement of the obligation.

Investments and investment income

Unlisted investments are stated at cost. Listed investments are stated at fair value which is based on market value at the reporting date. Gains or losses on sale of investments and unrealised gains or losses on the revaluation of investments are credited or charged to the Statement of Financial Activities. Deposit interest and other investment income is shown gross of recoverable tax and is accrued where applicable.

Donations and legacies

Income from donations and legacies is recognised by the Trust when the entitlement to the receipt is probable. Donations subject to specific wishes of the donors are allocated to the relevant restricted funds, or to endowment funds where the amount is required to be held as permanent capital. Donations receivable for the general purposes of the Trust are credited to unrestricted funds.

For legacies, income is recognised when the Trust has entitlement, and the amount can be reliably measured. This is generally the earlier of the Trust being notified of an impending distribution or the legacy being received. On occasion legacies will be notified to the Trust however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is recognised when the amount becomes reliably measurable.

Grant income

Income from Government grants which have performance conditions attached, including the Coronavirus Job Retention Scheme, are recognised as unrestricted income from charitable activities by the Trust when entitlement to the receipt is probable.

Income from trading activities

Income from trading activities represents subsidiary income from joining and membership fees and charges for the provision of services to members and their guests including hall letting, catering and sales of goods. Membership fees are apportioned across the period to which they relate and the unexpired portion of fees at the balance sheet date is included in deferred income. Turnover also represents sales from the Fettes Shop and fees receivable arising from the activities of Fettes the Venue.

It also includes amounts earned during the period in respect of the provision of language and cultural courses and reimbursement of expenditure relating to the set-up of a school in China.

The Governors of the Fettes Trust

Notes to the financial statements

1 Accounting policies (continued)

Expenditure

The Trust is not registered for VAT purposes and Trust expenditure is therefore inclusive of VAT where appropriate. Fettes Enterprises Limited is registered for VAT. The activities of FCLC are exempt from VAT and therefore that company is not registered for VAT. Fettes International Limited is not registered for VAT.

Expenditure is included in the Statement of Financial Activities on an accruals basis and is allocated as:
Raising funds - those associated with generating income; Charitable activities includes expenditure associated with meeting the Trust's primary objectives and includes the direct costs, the support costs relating to these activities and governance costs which comprise the costs of complying with constitutional and statutory requirements such as the cost of external audit, legal advice and tax advice, and the provision of the governance infrastructure.

All costs have been directly attributed to one of the functional categories of expenditure in the Statement of Financial Activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Tax

The Trust is recognised as a charity by HMRC and no charge for taxation arises on its charitable activities.

Restatement

The comparative results have been restated to include income and withholding tax which had not been accounted for in error in Fettes International Limited.

Reconciliation to movement in reserves (Group)

	31 August 2021 £
Adjustment to prior year	
Accrual of income relating to prior year	500,000
Accrual of withholding tax on income	(75,000)
	<hr/>
Total adjustments	425,000
Total reserves as previously reported	25,220,876
	<hr/>
Reserves as adjusted	25,645,876

Reconciliation of changes in net income for the previous financial period

Adjustments to prior year	£
Accrual of income relating to prior year	500,000
Accrual of withholding tax on income	(75,000)
	<hr/>
Total adjustments	425,000
Net income as previously reported	2,882,071
	<hr/>
Net income as adjusted	3,307,071

All adjustments related to unrestricted funds

2 Critical accounting estimates and judgements

In the application of the Trust'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.

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.

The following judgements or estimation uncertainties have a significant effect on amounts recognised in the financial statements:

Depreciation rates

Depreciation is calculated to fully write off the cost of assets over their estimated useful life. Management estimate the useful life of each asset.

Bad debt provision

Management judges the recoverability of debtors and makes a provision where the debt is not expected to be recovered. Full provision has been made for such debts and the bad debt provision at the year-end was £206,724 (2021: £121,556).

Discounting of loan stock

Management has recognised non-current assets, which constitute a financing transaction, at the present value of future cash flows, discounted at 1% over base rate, being the market rate of interest for an equivalent debt instrument. Determining the market rate of interest is a judgement made by management. The carrying value of the loan stock at the year-end was £nil (2021: £1,601,000).

3 Income from donations and legacies (Group & Trust)

	2022 £	2021 £
Fettes Foundation	1,134,614	919,404
Donations from individuals	17,015	13,323
	<u>1,151,629</u>	<u>932,727</u>

All amounts included above were attributable to unrestricted funds except for £300,000 (2021: £750,000) of donations which related to a permanent endowment and £519,994 (2021: £36,199) of donations which were restricted.

4 Income from charitable activities (Group & Trust)

	2022 £	2021 £
School fees	23,659,585	21,848,919
Less: Bursaries, scholarships and other remissions	(2,683,288)	(2,678,882)
	<u>20,976,297</u>	<u>19,170,037</u>
Net fee income		
Other ancillary activities	11,885	3,927
Grant income	-	391,446
	<u>20,988,182</u>	<u>19,565,410</u>
Net fee income		
All income related to unrestricted funds (2021: all)		

The Governors of the Fettes Trust

Notes to the financial statements

5	Income from other trading activities	2022 Group £	2021 Group as restated £	2022 Trust £	2021 Trust £
	International school project	604,000	672,837	35,117	-
	Rent	1	1	2	2
	Sports facilities income	1,209,904	411,528	-	-
	Shop sales	333,726	311,052	-	-
	Venue hire	324,589	-	-	-
	Government grants	-	108,947	-	-
		<u>2,472,220</u>	<u>1,504,364</u>	<u>35,119</u>	<u>2</u>
	All income related to unrestricted funds (2021: all)				
6	Income from investments	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
	Bank interest	17,091	19,964	17,079	19,959
	Listed investments	9,497	151,403	9,497	151,403
	Loans to subsidiary – secured	-	-	40,633	27,291
	Loans to subsidiary - unsecured	-	-	-	19,000
		<u>26,588</u>	<u>171,367</u>	<u>67,209</u>	<u>217,653</u>
	Within the Trust investment income of £50,130 (2021: £178,694) was restricted. Within the Group investment income of £9,497 (2021: £151,403) was restricted. All other investment income was unrestricted.				
7	Expenditure on charitable activities	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
	Teaching	10,043,913	9,115,573	10,148,091	9,194,069
	Welfare	3,545,959	3,011,842	3,545,959	3,018,442
	Premises	3,679,566	3,223,464	3,679,566	3,223,464
	Support cost of schooling	2,371,540	1,675,009	2,371,540	1,675,009
	Depreciation net of loss/(gain) on sale of assets	1,162,956	1,192,818	1,162,956	1,192,817
	Bank interest	109,111	258,638	109,111	258,638
		<u>20,913,045</u>	<u>18,477,344</u>	<u>21,017,223</u>	<u>18,562,439</u>
8	Support costs	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
	Wages and salaries	1,188,901	1,153,855	1,188,901	1,153,855
	Advertising & Marketing	187,382	126,808	187,382	126,808
	Professional Fees	208,011	26,298	208,011	26,298
	Finance charges	219,629	-	219,629	-
	Office admin costs	158,715	147,337	158,715	147,337
	Bad debt provision	104,996	-	104,996	-
	Legal fees	86,106	202,711	86,106	202,711
	Governance costs – Audit & tax fee	22,800	18,000	22,800	18,000
	Governance costs – Legal fees	195,000	-	195,000	-
		<u>2,371,540</u>	<u>1,675,009</u>	<u>2,371,540</u>	<u>1,675,009</u>

Within the Group & Trust expenditure on charitable activities of £89,525(2021: £153,442) was restricted and expenditure on investment management costs of £7,625 (2021: £42,169). All other expenditure was unrestricted.

The Governors of the Fettes Trust

Notes to the financial statements

9	Fees paid to auditors	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
	Audit- Trust - current auditors	22,800	-	22,800	-
	Audit- Subsidiaries - current auditors	14,000	-	-	-
	Audit - Trust - previous auditors	-	18,000	-	18,000
	Audit – Subsidiaries - previous auditors		12,500		
	Tax	3,500	5,000	-	-
		40,300	35,500	22,800	18,000

Fees in respect of subsidiaries are charged to expenditure on trading activities.

10	Staff costs	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
	Wages and salaries	11,245,072	10,393,036	10,394,661	9,771,342
	Social security costs	1,226,326	1,091,377	1,158,559	1,045,595
	Pension costs	1,721,384	1,553,844	1,662,703	1,519,231
		14,192,782	13,038,257	13,215,923	12,336,168

	2022 Group	2021 Group	2022 Trust	2021 Trust
Average number of employees	376	369	327	313

The number of employees whose total employee benefits exceeded £60,000 for the year were:-

	2022	2021
Between £60,000 and £70,000	20	19
Between £70,000 and £80,000	5	5
Between £80,000 and £90,000	3	2
Between £90,000 and £100,000	-	1
Between £110,000 and £120,000	1	1
Between £130,000 and £140,000	1	1

No remuneration or other benefits were paid to trustees in the year (2021: £nil)

The Governors of the Fettes Trust

Notes to the financial statements

11 Tangible fixed assets (Group & Trust)

	College Premises & Equipment £	Preparatory School Premises & Equipment £	Residential Premises & Equipment £	Vehicle and machinery £	Trust Total £	Subsidiary Premises & Equipment £	Group Total £
Cost							
At 1 September 2021	14,953,965	5,334,139	23,145,556	469,147	43,902,807	5,977,815	49,880,622
Additions	351,970	48,937	892,845	9,114	1,302,866	158,096	1,460,962
Disposals	-	-	-	(16,794)	(16,794)	-	(16,794)
At 31 August 2022	15,305,935	5,383,076	24,038,401	461,467	45,188,879	6,135,911	51,324,790
Depreciation							
At 1 September 2021	8,383,230	2,890,235	9,849,369	407,192	21,530,026	2,589,181	24,119,207
Charge for period	558,187	83,613	477,533	43,622	1,162,955	163,434	1,326,389
Disposals	-	-	-	(14,840)	(14,840)	-	(14,840)
At 31 August 2022	8,941,417	2,973,848	10,326,902	435,974	22,678,141	2,752,615	25,430,756
Net book value							
At 31 August 2022	6,364,518	2,409,228	13,711,499	25,493	22,510,738	3,383,296	25,894,034
At 31 August 2021	6,570,735	2,443,904	13,296,187	61,955	22,372,781	3,388,634	25,761,415

The Governors of the Fettes Trust

Notes to the financial statements

12 Investments

	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
Fair value at 1 September 2021	8,018,753	6,242,142	12,809,394	11,012,783
Additions	8,349,143	962,663	8,498,476	982,663
Proceeds on sale	(7,519,309)	(452,582)	(7,519,309)	(452,582)
Unrealised (losses)/gains	(242,553)	1,237,108	(242,553)	1,237,108
	<u>8,606,034</u>	<u>7,989,331</u>	<u>13,546,008</u>	<u>12,779,972</u>
Cash within investment portfolio	-	29,422	-	29,422
	<u>8,606,034</u>	<u>8,018,753</u>	<u>13,546,008</u>	<u>12,809,394</u>
Fair value at 31 August 2022	<u>8,606,034</u>	<u>8,018,753</u>	<u>13,546,008</u>	<u>12,809,394</u>
	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
Loan to subsidiary – secured	-	-	2,629,971	2,480,639
Loan to subsidiary – unsecured	-	-	-	1,620,000
Listed investments	-	7,689,231	-	7,689,231
Cash within the portfolio	-	29,422	-	29,422
Unlisted investments	100	100	2,310,103	690,102
CCLA Investment	8,605,934	300,000	8,605,934	300,000
	<u>8,606,034</u>	<u>8,018,753</u>	<u>13,546,008</u>	<u>12,809,394</u>

In the Group & Trust £197,058 of investment losses (2021: £1,015,182 gains) related to the permanent endowment and £45,495 of investment losses (2021: £221,926 gains) were restricted.

Fettes Active Limited

The Trust holds the whole issued share capital of £100 of Fettes Active Limited (formerly Fettes College Limited), a company incorporated in Scotland. The company had £100 net assets at 31 August 2022. The financial statements of Fettes Active Limited are made up to 31 August and the company has been dormant during the year. Fettes Active Limited is being retained as a dormant company for the foreseeable future.

Fettes Enterprises Limited

The Trust owns the whole issued share capital of £2 of Fettes Enterprises Limited (the "company"), a company incorporated in Scotland. The financial statements of the company are made up to 31 August and the company's principal activities are the management of Westwoods Health Club, Fettes the Venue and the Fettes Shop. The company has a wholly owned subsidiary, Fettes Centre for Language & Culture Limited ("FCLC"), a company incorporated in Scotland, which provides English language and Scottish culture courses. The company also has a wholly owned subsidiary, Fettes International Limited ("FIL"), which works in partnership with Bright Scholar to build and run Fettes China.

The company had turnover of £1,612,807 (2021: £941,784), a loss before tax of £193,983 (2021: £351,379), and net assets (liabilities) of £782,945 (2021: (£643,070)) and the ongoing support of the company is, in the view of the Governors, justified by its long-term trading outlook for it as a business and the company provides excellent indoor sporting facilities for the School. FCLC had turnover of £324,589 (2021: £nil), a profit (loss) before tax of £38,566 (2021: (£116,140)), and net liabilities of £41,075 (2021: £79,641). FIL had turnover of £604,000 (2021: £672,837 as restated), a profit before tax of £350,201 (2021: £425,000 as restated), and net current assets of £775,202 (2021: £425,001 as restated).

The company has issued secured debenture loan notes of £2,629,971 (2021: £2,480,639) to the Combined Investment Fund and unsecured loans of £nil (2021: £1,620,000) are due to the Trust General Fund. The company has granted second ranking standard security to the Trust. The Combined Investment Fund loan is repayable in full in June 2026 unless otherwise agreed and has interest at 1% over base rate. The loan for £1,620,000 (representing loan notes donated by the Fettes Foundation) was interest free converted into share capital during the year. A cross guarantee has been granted to the Bank of Scotland involving the Trust and the company.

The Governors of the Fettes Trust

Notes to the financial statements

13 Debtors

	2022 Group £	2021 Group as restated £	2022 Trust £	2021 Trust £
Trade debtors	137,099	195,025	48,979	150,462
Due from subsidiaries	-	-	229,230	238,781
Sundry debtors and prepayments	3,190,184	1,759,651	2,591,546	971,877
	<u>3,327,283</u>	<u>1,954,676</u>	<u>2,869,755</u>	<u>1,361,120</u>

As a hedge against rising interest rates, the Trust has entered into an interest rate cap with a cap rate of 1% (BoE base rate) on a notional amount of £4m from 31/01/2018 to 31/01/2022 and a notional amount of £2m from 31/01/2022 to 30/01/2026. At the year end the Swap was valued at £180,753 (2021; £14,901) and is included in sundry debtors

14 Creditors due within one year

	2022 Group £	2021 Group as restated £	2022 Trust £	2021 Trust £
Trade creditors	899,269	267,307	792,582	195,023
Taxes and social security costs	368,745	315,003	291,499	263,926
Other creditors	1,273,805	1,296,537	950,942	891,559
Accruals	647,630	638,682	647,630	521,384
Deferred income	5,946,709	4,450,817	5,946,709	4,407,484
Due to subsidiaries	285,512	-	716,282	68,099
Bank loans	1,500,000	1,024,244	1,500,000	1,024,244
	<u>10,921,670</u>	<u>7,992,590</u>	<u>10,845,644</u>	<u>7,371,089</u>

Creditors due in more than one year

	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
Bank loans	-	7,669,499	-	7,669,499
Other creditors	1812,096	1,522,155	1,812,096	1,522,155
Deferred income	289,759	286,851	289,759	286,851
	<u>2,101,855</u>	<u>9,478,505</u>	<u>2,101,855</u>	<u>9,478,505</u>

The Governors of the Fettes Trust

Notes to the financial statements

15 Bank loans

	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
Due within one year	1,500,00	1,024,244	1,500,000	1,024,244
Due in one to two years	-	1,076,783	-	1,076,783
Due in two to five years	-	3,700,263	-	3,700,263
Due in over five years	-	2,892,453	-	2,892,453
	1,500,000	8,693,743	1,500,000	8,693,743

At the year end the Trust drew down a £1.5m revolving credit facility from HSBC which is unsecured and attracts interest at 1.6% above the bank of England base rate.

Bank loans to the Trust from Bank of Scotland until repayment at the year end had interest of 1% or 1.84% over either the Bank of Scotland base rate or rates which have been fixed over periods ranging from five to fifteen years. They were repayable in either monthly instalments over ten years and seventeen years or monthly instalments over fifteen years after a five year interest only period which expired in 2012.

The Bank of Scotland held a bond and floating charge over the assets of Fettes Enterprises Limited and held standard securities over the sports centre site and various residential properties. The bank holds a Letter of Negative Pledge from the Governors, undertaking not to grant to third parties, unless permitted by the bank, further security over the assets of the Trust. In addition a cross-guarantee between the Trust and Fettes Enterprises Limited exists. These charges, pledges and guarantees were released post year end.

15 Deferred income

	2022 Group £	2021 Group £	2022 Trust £	2021 Trust £
Balance at 1 September 2021	4,737,668	4,284,155	4,694,335	4,221,529
Income deferred in year	6,236,468	4,737,668	6,236,468	4,694,335
Amounts released	(4,737,668)	(4,284,155)	(4,694,335)	(4,221,529)
Balance at 31 August 2022	6,236,468	4,737,668	6,236,468	4,694,335

Deferred income consists of fees that have been paid in advance of the school term to which they relate.

16 Financial assets held at fair value through net income

	Group and Trust	
	2022	2021
	£	£
Quoted investment portfolio	2,691,218	2,918,294
Interest rate swap	180,753	14,901
	2,871,971	2,933,195

Fair Value

Listed investments and the interest rate swap derivative financial instrument referred to in note 14 are held at fair value through income and expenditure. Fair value is determined by reference to interest rates in active markets by the bank and is not subject to any valuation techniques.

Financial risk management

The Trust has exposure to the following risks arising from financial instruments measured at fair value through income and expenditure:

Credit risk

Credit risk is the risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations. The Trust's exposure to this risk is mainly due to the element of its investment portfolio that is invested in fixed interest instruments.

The Trust's policy for fixed interest investments, outwith the Group, is to ensure that they are actively managed by external professional investment managers, who report quarterly to the Executive Committee.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, will affect the Trust's income or the value of its investment holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Trust's policy is to ensure that its investment portfolio is diversified and actively managed by external professional investment managers, who report quarterly to the Executive Committee.

17 Pensions

The Scottish Teachers Superannuation Scheme is a multi-employer defined benefit scheme which, in common with other Government pension schemes, is unfunded in that there is no earmarked fund of assets underlying the scheme. The Trust is unable to identify its share of the underlying liabilities of the scheme and therefore accounts for the contributions to the scheme as if it were a defined contribution scheme. The latest actuarial valuation was carried out at 31 March 2016. The results of this valuation were rolled forward to give a liability of £43.5 billion at 31 March 2020 (latest available). As the scheme is unfunded there can be no surplus or shortfall. Pension contribution rates will be set by the scheme's actuary at a level to meet the cost of pensions as they accrue.

The cost recognised in the statement of financial activities is equal to the contributions payable to the scheme for the year. The employer made contributions of 23.0% from September 2019. Employee contributions range between 7.2% and 11.9%.

Employee and employer contributions for August 2022 due to be paid to the scheme after the year end amounted to £173,092 (2021: £160,036) and this was paid over in September 2022. In addition, employee AVC contributions for August 2022 amounting to £9,949 (2021: £10,648), were paid over in September 2022.

The pension cost for the period for non-teaching staff has been charged to the statement of financial activities being contributions to a group stakeholder pension scheme and other personal pension plans. Employee or employer contributions for August 2022 of £36,636 (2021: £32,398) were due to be paid to the group stakeholder pension scheme at the year end and this was paid over in September 2022.

The Governors of the Fettes Trust

Notes to the financial statements

18 Funds

Group	Unrestricted Funds £	Permanent Endowment Combined Investment Fund £	Bursaries/Scholarships £	Other £	Capital £	Total Restricted £	Total £
Opening balances at 1 September 2021	14,573,383	9,625,137	1,441,084	6,272	-	1,447,356	25,645,876
Income	23,809,128	300,000	3,834	355,657	170,000	529,491	24,638,619
Expenditure	(23,130,695)	-	(42,595)	(54,555)	-	(97,150)	(23,227,845)
Gains and losses	-	(197,058)	(45,495)	-	-	(45,495)	(242,553)
Transfers	129,367	-	40,633	-	(170,000)	(129,367)	-
Closing balances at 31 August 2022	15,381,183	9,728,079	1,397,461	307,374	-	1,704,835	26,814,097

Group (as restated)	Unrestricted Funds £	Permanent Endowment Combined Investment Fund £	Bursaries/Scholarships £	Other £	Capital £	Total Restricted £	Total £
Opening balances at 1 September 2020	13,272,702	7,859,955	1,199,827	6,321	-	1,206,148	22,338,805
Income	21,236,266	750,000	146,429	41,173	-	187,602	22,173,868
Expenditure	(19,908,294)	-	(154,389)	(41,222)	-	(195,611)	(20,103,905)
Gains and losses	(27,291)	-	27,291	-	-	27,291	-
Transfers	-	1,015,182	221,926	-	-	221,926	1,237,108
Closing balances at 31 August 2021	14,573,383	9,625,137	1,441,084	6,272	-	1,447,356	25,645,876

Trust	Unrestricted Funds £	Permanent Endowment Combined Investment Fund £	Bursaries/Scholarships £	Other £	Capital £	Total Restricted £	Total £
Opening balances at 1 September 2021	15,635,117	9,625,137	1,441,084	6,272	-	1,447,356	26,707,610
Income	21,372,015	300,000	44,467	355,657	170,000	570,124	22,242,139
Expenditure	(20,927,698)	-	(42,595)	(54,555)	-	(97,150)	(21,024,848)
Gains and losses	-	(197,058)	(45,495)	-	-	(45,495)	(242,553)
Transfers	170,000	-	-	-	(170,000)	-	-
Closing balances at 31 August 2022	16,249,434	9,728,079	1,397,461	307,374	-	1,704,835	27,682,348

Trust	Unrestricted Funds £	Permanent Endowment Combined Investment Fund £	Bursaries/Scholarships £	Other £	Capital £	Total Restricted £	Total £
Opening balances at 1 September 2020	14,293,215	7,859,955	1,199,827	6,321	-	1,206,148	23,359,318
Income	19,750,889	750,000	173,720	41,173	-	214,893	20,715,792
Expenditure	(18,408,997)	-	(154,389)	(41,222)	-	(195,611)	(18,604,608)
Gains and losses	-	1,015,182	221,926	-	-	221,926	1,237,108
Transfers	-	-	-	-	-	-	-
Closing balances at 31 August 2021	15,635,117	9,625,137	1,441,084	6,272	-	1,447,356	26,707,610

The Governors of the Fettes Trust

Notes to the financial statements

18 Funds (continued)

The following Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Trust. Restricted funds are subject to specific conditions by donors as to how they may be used.

Fund	Purpose
Combined Investment Fund	
Dr A B Flett's Bequest Fund Fullarton Conn Memorial Scholarship Fund Captain HSH Wallace's Fund Knox-Cunningham Bequest Scholarship Fund	To fund bursaries and scholarships tenable at Fettes College
Mitchell Watson Scholarship Fund Agnes M Pagan Scholarship Fund Crawford Music Scholarship Fund Todd Scholarship Fund Joannides Scholarship Fund Peter Crombie Foundation Bequest Fund Lloyds Fettesian Scholarship Robin Adam Bursary V A McLean Legacy The Late Dr AC Hay's Open Scholarship Fund The Palgrave-Brown All Rounder Award Foundation Endowment The Camerons Acknowledgement The Spens Bursary	
Leaving Awards Fund	To fund scholarships tenable at Universities and Further Education Establishments and, at the discretion of the Governors, to fund Foundation Awards, Open Scholarships and Continuation Scholarships.
Prize Fund	To fund the award of prizes at the discretion of the Governors
Dr Ashcroft's Fund	To be used at the discretion of the Governors
Children of Officers Scholarship Fund	To be used to fund scholarships or otherwise at the Discretion of the Governors
Falconer Fund	To contribute towards the upkeep of the library
Selwyn Lloyd Memorial Library Fund	To contribute towards the upkeep of the library
Whiteside Cottage Endowment Fund	To contribute towards the cost of outward bound projects
Foundation Supplementation Fund	To supplement the General Fund in the award of Foundation Scholarships

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Notes to the financial statements

19	Analysis of net assets by funds				
	2022	Unrestricted	Endowment	Restricted	Total
	Group	£	£	£	£
	Tangible Fixed assets	25,894,034	-	-	25,894,034
	Investments	(2,789,783)	9,690,982	1,704,835	8,606,034
	Current (liabilities)/assets	(5,621,213)	-	-	(5,584,116)
	Creditors falling due in more than one year	(2,101,855)	-	-	(2,101,855)
		<u>15,381,183</u>	<u>9,728,079</u>	<u>1,704,835</u>	<u>26,814,097</u>
	2021				
	Group (as restated)	Unrestricted	Endowment	Restricted	Total
	Fixed assets	25,761,415			25,761,415
	Investments	(2,480,537)	9,113,021	1,386,269	8,018,753
	Current (liabilities)/assets	771,012	512,116	61,085	1,344,213
	Creditors falling due in more than one year	(9,478,505)	-	-	(9,478,505)
		<u>14,573,383</u>	<u>9,625,137</u>	<u>1,447,356</u>	<u>25,645,876</u>
	2022	Unrestricted	Endowment	Restricted	Total
	Trust	£	£	£	£
	Fixed assets	22,510,738	-	-	22,510,738
	Investments	2,150,191	9,690,982	1,704,835	13,546,008
	Current (liabilities)/assets	(6,309,640)	37,097	-	(6,272,543)
	Creditors falling due in more than one year	(2,101,855)	-	-	(2,101,855)
		<u>16,249,434</u>	<u>9,728,079</u>	<u>1,704,835</u>	<u>27,682,348</u>
	2021				
	Trust	Unrestricted	Endowment	Restricted	Total
		£	£	£	£
	Fixed assets	22,372,781	-	-	22,372,781
	Investments	2,310,102	9,113,023	1,386,269	12,809,394
	Current (liabilities)/assets	133,846	512,114	61,087	1,003,940
	Creditors falling due in more than one year	(9,478,505)	-	-	(9,478,505)
		<u>15,635,117</u>	<u>9,625,137</u>	<u>1,447,356</u>	<u>26,707,610</u>

Notes

- (a) The bursaries and scholarships fund represents amounts received towards student awards; the other fund represents amounts awarded to fund pupil trips and similar activities; and the capital fund represents amounts received to fund specific capital projects.
- (a) Transfers from unrestricted retained equity in subsidiaries to restricted bursaries/scholarships funds are made to reflect the intercompany interest on the CIF loan stock that is otherwise eliminated on consolidation. Transfers from unrestricted funds to retained equity in subsidiaries relates to a consolidation adjustment for inter-company transactions.

The Governors of the Fettes Trust

Notes to the financial statements

19 Reconciliation of net income to net cash flow from operating activities

	2022 Group £	2021 Group as restated £	2022 Trust £	2022 Trust £
Net income/(expenditure for year	1,168,221	3,307,071	974,738	3,348,292
Unrealised gains/losses	242,553	(1,237,108)	242,553	(1,237,108)
Depreciation charges	1,326,389	1,350,529	1,162,955	1,192,818
(Gain)/loss on disposal of fixed assets	1,954	2,036	1,954	-
Decrease/(increase) in stock	11,693	(8,960)	-	-
Decrease/(increase) in debtors	(1,465,526)	(831,652)	(1,601,554)	(318,362)
Increase/(decrease) in creditors	2,746,173	981,835	3,291,648	479,160
Investment income received	(26,588)	(171,367)	(67,209)	(217,653)
Bank loan interest paid	109,111	238,792	109,111	238,792
Investment managers fee deducted from portfolio	13,085	32,386	13,085	32,386
	4,127,065	3,663,562	4,127,281	3,518,325

Analysis of changes in net debt

Group	At 1 Sept 2021 £	Cashflows £	At 31 Aug 2022 £
Bank and cash	7,168,741	(5,360,163)	1,808,578
Loans falling due within 1 year	(1,024,244)	(475,756)	(1,500,000)
Loans falling due after 1 year	(7,669,499)	7,669,499	-
Total	(1,525,002)	1,833,580	308,578

Charity	At 1 Sept 2021 £	Cashflows £	At 31 Aug 2022 £
Bank and cash	7,013,909	(5,310,563)	1,703,346
Loans falling due within 1 year	(1,024,244)	(475,756)	(1,500,000)
Loans falling due after 1 year	(7,669,499)	7,669,499	-
Total	(1,679,834)	1,883,180	203,346

20 Operating leases

At the reporting date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follow:

	2022	2021	2022	2021
	Group	Group	Trust	Trust
	£	£	£	£
Within one year	2,352	566,034	2,352	548,639
Between two and five years	1,022,106	2,162,400	1,022,106	2,162,400
Over five years	2,911,529	3,151,698	2,911,529	3,151,698
	3,935,587	5,880,132	3,935,587	5,862,737

21 Contingent liability

As explained fully in the trustees report the Trust has received notification of claims for unspecified damages in respect of alleged historic abuse. If any claim was successful, it is difficult to determine the financial extent to which the Trust could be liable or the timings of any possible outflows.

The Trust granted a guarantee to Bank of Scotland for a loan advanced by the bank to The Fettes Foundation. At the year end the maximum liability under this guarantee was £nil (2021: £1,433,333).

22 Related party disclosures

Where any of the Governors are parents of pupils at the School they have arms-length transactions in relation to payment of school fees.

During the year Fettes Enterprises Limited charged the Trust for the use of the company's sports facilities and this amounted to £78,946 (2021: £63,475) and sold goods to the Trust amounting to £46,068 (2021: £38,639), all figures including VAT. Fettes Enterprises Limited is leasing land from the Trust for 25 years at £1 per annum. The lease agreement obliged Fettes Enterprises Limited to develop a sports facility. At the year end Fettes Enterprises Limited was due £2,848,202 to the Trust (2021: £4,338,576 due by the Trust).

Fettes Centre for Language & Culture Limited was due £11,002 (2021: £423) to the Trust at the year end.

Fettes International Limited is owed £430,771 (2021: £7,233) by the Trust at the year end.

23 Post balance sheet events

On the 1st of September 2022 the activities and assets of the Trust were transferred to Fettes College, a company limited by guarantee, with company registration number SC719759. The charitable status and registration of the Trust are unaffected by this change.