

Charity Number: SC002922

The Governors of Hutchesons' Educational Trust

Report and Financial Statements

For the Year Ended 30 June 2024

The Governors of Hutchesons' Educational Trust

Report and Financial Statements for the Year Ended 30 June 2024

Page:

1 - 3	Reference and Administrative Information
4 - 14	Annual Report of the Governors
15 - 18	Independent Auditors Report
19	Statement of Financial Activities
20	Balance Sheet
21	Statement of Cash Flows
22 - 45	Notes to the Financial Statements

The Governors of Hutchesons' Educational Trust

Report and Financial Statements For the Year Ended 30 June 2024
Reference and Administrative Information

Charity Trustees

The Trustees of The Governors of Hutchesons' Educational Trust are the Governing Body, and exercise a general supervision and control over Hutchesons' Grammar School. Each Governor is a member of the Governing Body and a charity Trustee for the purposes of the Charities (Regulation and Administration) (Scotland) Act 2023. Therefore any references hereafter to 'Trustee' is interchangeable with 'Governor'.

The Trustees are not employees of, and receive no remuneration from, the Trust. They are:

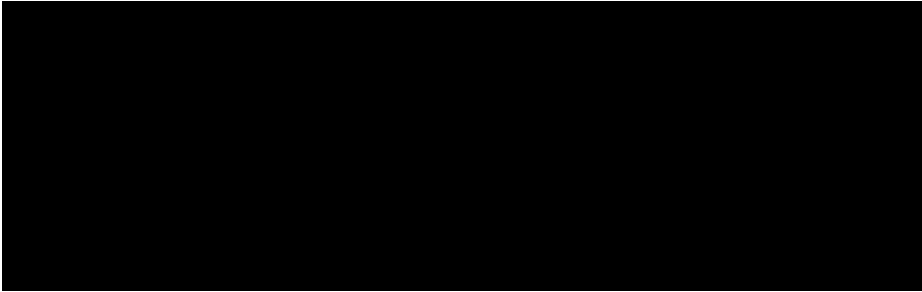
Name	Convener	Position	Appointed	Retired
	Chair	Co-opted	Chair from Sept 20	Sep-23
	Chair Sep 23	Merchants House of Glasgow		
	Development, Marketing & Admissions	Co-opted		
	HR	Co-opted		
	Finance	Co-opted		
	Property and Vice-Chair	Co-opted		Jan-25
		Co-opted		Jun-23
		Co-opted		
		Co-opted		
		Co-opted		
		Co-opted		
		Co-opted	Nov-23	
	Education (Sept 24)	Co-opted	Oct-23	
		Church of Scotland Presbytery		
		Former Pupils Club		
		HGS Parents' Association		Jul-24
		HGS Parents' Association	Sep-24	
		Hutchesons' Hospital		
		Trades House of Glasgow		Jun-23
		Trades House of Glasgow	Oct-23	
		University of Glasgow		Jun-24
		University of Strathclyde		Sep-24
		University of Glasgow	Jan-25	

The Governors of Hutchesons' Educational Trust

**Report and Financial Statements For the Year Ended 30 June 2024
Reference and Administrative Information**

Key Management Personnel

The day to day running of the school is delegated to the Rector, the Bursar and the Senior Depute Rector.



Registered Office

21 Beaton Road, Glasgow, G41 4NW

The Governors of Hutchesons' Educational Trust

Report and Financial Statements For the Year Ended 30 June 2024
Reference and Administrative Information

ADVISERS

Auditors	Wbg (Audit) Limited 168 Bath Street Glasgow G2 4TP
Bankers	Bank of Scotland Corporate Banking, Level 6 110 St Vincent Street Glasgow G2 5ER
Insurance Brokers	Marsh Brokers Limited 1st Floor 141 Bothwell Street Glasgow G2 7EQ
Investment Advisers	Brewin Dolphin Sixth Floor, Atria One 144 Morrison Street Edinburgh EH3 8BR
Solicitors	Mitchells Robertson LLP George House 36 North Hanover Street Glasgow G1 2AD

The Governors of Hutchesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

The Trustees of The Governors of Hutchesons' Educational Trust present their Annual Report and Financial Statements for the year ended 30 June 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed, the Charities (Regulation and Administration) (Scotland) Act 2023, the Charities Accounts (Scotland) Regulations 2006 (as amended), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The reference and administrative information on pages 1 - 3 form part of this report.

GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by the Constitution of The Governors of Hutchesons' Educational Trust.

Governing Body

The Governing Body means the Governors of Hutchesons' Educational Trust (Scottish charity SC002922). Each Governor is a member of the Governing Body and a charity Trustee for the purposes of the Charities (Regulation and Administration) (Scotland) Act 2023. Therefore any references hereafter to 'Trustee' is interchangeable with 'Governor' and vice versa. The Trustees are listed on page 1, together with information on their status of Trustee, either nominated or co-opted. The length of term of office for Trustee had been set at four years, with the possibility of a further term of four years, adding up to a maximum term of office of eight years. Following a change to the Governing Document in December 2024, Governors can now serve for up to 3 terms, of 3 years each. The Chair can serve for up to 6 years, subject to a total term as a Trustee of 12 years.

Appointment, Induction and Training of Trustees

The Charity's nominated Trustees are appointed at a Meeting of the Board based on nominations received from the organisations listed on page 1. Co-opted Trustees are appointed by the current Board and are selected for the particular expertise which they bring to the Board.

New Trustees are inducted into the workings of the Charity and its school, including Board Policy and Procedures, at an induction visit organised for them by the Bursar. They are provided with a number of documents:

- The Constitution of the Charity;
- Details of Committees' remits, membership and meeting dates;
- The School Prospectus;
- Governors' information booklet;
- Code of Conduct.

Trustees also complete a Declaration of Interests form and Declaration for Fit and Proper Persons as required by HM Revenue & Customs. Trustees are encouraged to attend training sessions given by professional bodies, including the Scottish Council of Independent Schools (SCIS) and the Association of Governing Bodies of Independent Schools (AGBIS), on general issues and on matters of relevance to their specific role.

The Governors of Hutchesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

Organisational Structure

The Governors exercise a general supervision and control of Hutchesons' Grammar School and meet as a Board at least 5 times a year. For the effective conduct of the business of the Charity there are five main committees of the Board:

- Development, Marketing and Admissions Committee;
- Education Committee;
- Finance Committee;
- Human Resources Committee; and
- Property Committee.

Each of these committees meets at least once a term, with the Finance Committee meeting at least four times a year. Each Committee makes recommendations to the Board for approval. Annually, the Governors hold a Strategy Day to review and discuss strategy and risk management.

The Rector and Bursar attend the Board meetings and all meetings of the Committees listed above. The Head of Primary and Senior Depute Rector attend Board meetings.

Office of the Scottish Charity Regulator (OSCR)

The Governors of Hutchesons' Educational Trust is regulated by OSCR, operating under the Charity Number – SC 002922. The Charity's Annual Report and Financial Statements are monitored annually by OSCR to ensure that it continues to meet the charity test, provides wider public benefit and continues to fulfil its purpose of the advancement of education.

Scottish Council for Independent Schools (SCIS)

The Governors of Hutchesons' Educational Trust is a member of SCIS, an umbrella group for independent schools representing and advising schools on regulatory, political and educational matters. SCIS also provide training for school staff, guidance on pensions, and administers a personal accident scheme, which covers all Trustees, staff and pupils.

Related Parties

Details of Trustees' expenses and any related party transactions are disclosed in note 4 to the accounts. Trustees are required to disclose at each meeting if they have any conflicts of interest, and these conflicts of interest and any contractual relationships are retained in written form.

Key Management Personnel

██████████ was appointed as Rector on 15 July 2023, to cover a period of one academic year prior to his retirement. Following a robust recruitment process, ██████████ was appointed Rector and CEO in February 2024 and took up post on 1st August 2024. ██████████ remained in the post of Head of Senior School for the 2024/2025 session. On 5th September 2024, ██████████ resigned from the post of Bursar, and ██████████ was appointed as Interim Bursar effective from that date. The Governors of Hutchesons' Educational Trust consider that the Governing Body, the Rector, the Bursar and the Head of Senior School/Senior Depute Rector comprise the Key Management Personnel in charge of planning, directing, and controlling the activities of the School. Trustees are not remunerated, but may claim reasonable travel expenses to meetings. The Rector is the School's Chief Executive Officer and is in charge of the day to day management with the support of the Senior Leadership Team and the Bursar. The Remuneration Committee, consisting of the Chairman, Vice Chairman, Finance Convenor and HR Convenor meet annually to consider the remuneration paid to the Rector, the Bursar and the Senior Depute Rector. They take into account a number of factors based on performance, market position and experience before deciding on the respective salaries for the forthcoming tax year.

Risk Management

The Trustees are responsible for the management and mitigation of risks faced by the School. They have in place a risk management strategy which includes contingency and business continuity plans. The strategy and plans are reviewed annually in the normal course of business, should internal or external factors affect the continuing operations of the School. The review is designed to minimise and manage any potential impact on the School if those risks materialise. The latest risk register, including potential impacts from the implementation of VAT on school fees and the cost of living crisis, was reviewed and approved by the Board on 4 September 2022.

The Interim Bursar has conducted a review of the current risk strategy and register and a proposed format and methodology was presented to the Governance and Risk Committee in February 2025. The revised risk strategy will be presented to the Board meeting in March 2025 and will continue to evolve in collaboration with the Board and Senior Leadership Team.

The risk management controls put in place by the Trustees include:

- Formal agendas for all Board and Committee meetings;
- Detailed minutes of all such meetings;
- Clearly defined terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Documented policies and procedures;
- Clear authorisation and approval levels.

In the opinion of the Trustees, the Trust has established controls and review systems in place, together with adequate resources which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations. It is recognised that systems can only provide reasonable, but no absolute assurance, that major risks have been adequately mitigated.

The Governors of Hutchesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

Investment Management

The Trustees have an investment policy which operates within low to medium risk and allows weighted investment in equities, fixed income, alternatives and cash. The investment objectives seek to provide sufficient growth to maintain the real capital value of the investment portfolio whilst achieving a consistent and stable income flow.

The Trustees delegate the management of the investment portfolio to Brewin Dolphin on a discretionary basis. There is a written policy which summarises the relationship between the Trustees and the Investment Managers and an ethical investment policy is in place which prohibits investment in tobacco companies or companies that exploit child labour. These policies direct and control the Investment Managers in their share portfolio selection.

The Investment Managers' performance is measured against a balanced benchmark and the Trustees meet with them twice a year to discuss performance and strategy. The Trustees were satisfied with the management and performance of the investment portfolio throughout the year. The value of the investment portfolio at the 30 June 2024 was £3,886,461 (2023: £3,576,475).

Over the financial year, performance, in total return terms, of the endowment, prize and legacy funds, rose by 9.1%, 7.1% and 7.2% respectively. Combined, the portfolios transferred £112,041 of dividends and income to the Trust over the course of the year.

It has been an eventful year economically, politically and geopolitically. Inflation has fallen back from over 10% in 2022 towards the Bank of England's (BoE) target rate of 2%, in May and interest rates have also started to fall. Global stock markets have progressed well, driven by the US and with progress heavily concentrated in a small number of stocks that are set to benefit from the use of Artificial Intelligence (AI).

With big changes to governing parties in the UK, France and with a potential change in the US, markets remain sensitive to policy changes. The war between Russia and Ukraine and the turmoil in the Middle East has also dominated headlines. In spite of the turmoil's, corporate earnings and profitability have remained strong and the portfolio has risen in value. The holdings are well diversified, geographically and between asset classes. We regularly review the investment objectives, strategy and progress with the investment manager and are confident that the portfolios are well positioned to continue to meet the return and distribution aspirations for each fund going forward.

The Governors of Hutchesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

OBJECTIVES AND ACTIVITIES

Charitable Purpose

The Charity's primary purpose is the advancement of education. Its revised 2019 constitution obligates the Trustees 'to exercise a general supervision and control' of Hutchesons' Grammar School. The charity's main aim is to provide a Nursery, Pre-School, Primary and Secondary education for boys and girls between 3 to 18 years of age.

The main strategy for achieving this aim is to continue to provide a high quality of teaching and learning which will allow pupils the opportunity to attain the highest academic levels, and also to provide pupils with an all-round education, benefitting from the school's multifaceted extra-curricular programme.

The Trustees use academic results to monitor the success of the School and the continued academic performance of pupils in national examinations remains a source of considerable satisfaction. The initial target of 60% pass rate achieving Grade A at Higher Exam stage, set around 2011 has been consistently surpassed. In addition to academic success, the School considers other areas such as individual and team sporting achievements and attainments in drama, art and music as measures of success.

The main activity undertaken by the School continues to be the provision of a first-class education delivered by high quality teaching staff. This allows all pupils access to a high standard of all-round education. The School offers an extended range of subjects giving pupils wider choices and facilitates their entry opportunities to further education at university.

In addition to this main activity, the School has continued to forge lasting relationships with local, national and international schools and communities.

Bursaries

The Trustees provide bursary support to pupils through a means-tested bursary scheme and a number of non means-tested fee remissions. The availability of bursary support is publicised on the School's website, in local media and in the application packs for entry to the School. Applicants seeking bursary support must complete a bursary application form, providing detailed financial information supported by original documentation. Bursary awards are determined based on the pupil's performance in the S1 entrance exam and the financial circumstances of the parents as assessed through the means-testing process.

Bursaries are awarded upon entry to S1 and cover the entirety of the pupil's secondary education. The School acknowledges that, provided there are no changes in the circumstances of the pupil or their parents, a bursary awarded at S1 entry will remain in place throughout the pupil's secondary education. Based on current fee levels and stable parental financial circumstances, the School has committed in excess of £2.5m to fund the future education of current bursary recipients.

The total value of means-tested bursaries awarded for the 2023/24 session is £622,970, representing 4% of the School's fee income. Currently, 72 pupils receive bursary support, accounting for 6% of the School's total enrolment. The range of bursary awards is as follows:

0 - 20%	10 pupils
21 - 40%	13 pupils
41 - 60%	18 pupils
61 - 80%	18 pupils
81 - 99%	4 pupils
100%	9 pupils

Additionally, fee remission is available to families with three or more children at the School and to staff members with children enrolled. These remissions were awarded to 88 pupils, totalling £521,449.

Combined, bursary awards and fee remissions amount to £1,144,419, representing 6.5% of the School's fee income. In total, 160 pupils receive financial support, which accounts for 13% of the School roll. Of these, 1.3% of pupils benefit from full (100%) financial assistance.

The Governors of Hutchesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

ACHIEVEMENTS AND PERFORMANCE

Monitoring and Measuring Achievements

The Trustees consider that the exam results achieved by the pupils are a key indicator of the success of the school. They monitor the results through reports provided by the Rector and the Director of Curriculum. The financial performance of the school is important to the long-term viability and sustainability of the provision of education. The Trustees receive monthly management accounts and cash flow statements, an annual budget submission and are taken through an annual set of audited accounts. The provision of these reports allows the Trustees to continually monitor the financial performance of the school and, if required, make changes to the financial operations on a timely basis. The Trustees also measure the achievements of the pupils and staff by looking at the destinations of pupils to tertiary education and the range of subjects and careers that pupils pursue. An annual schedule of pupils' university choice and degree course studied is given to the Trustees and allows them to measure the success of the teaching and learning provision.

Examination Results

143 pupils in S5 sat a total of 710 Highers, an average of 5.0 per pupil which remains one of the highest entry rates in Scotland. A headline figure of 63.8% A grades is an excellent achievement and maintains the excellent results that we have seen over the past 8 years. Against the background of a fall in pass at all levels nationally, we maintained an A-C pass rate at Higher of 95.5%, the same as last year and in the top three of our results over the past 15 years. With 54 pupils gaining five or more Higher A's, 17 of them with six, and one pupil with seven Highers (all awarded A1) it has been an excellent academic year. There were notable achievements by individual departments as well. Latin, Music and Economics achieved 100% Higher A grades, German and Geography over 80% A grades.

The School has an immense critical mass of very high achieving pupils, which gives momentum to the academic drive within the School and contributes to its success. This is seen clearly in some other, less quoted, statistics such as the number of top bands achieved and also in those pupils regularly commended by SQA for their individual achievement in exams.

This year it is worth noting the achievement of the S6 pupils studying Advanced Highers where the A pass rate was 55.6%. This was the highest percentage of published results of schools in the West of Scotland and one of the Highest by this measure in the country. Art and Design (Expressive), Computing, German, Latin, Spanish and Music Technology achieved 100% A grades while Music Performance achieved 88.9% As and Geography achieved 87.5% A grades. Pupils taking Highers in S6 achieved 59.7% A passes which is our best ever result by this measure. It is very pleasing that over 91% of the pupils were accepted into their first choice University. 33% of the year group are taking up places in Russell group Universities, while 7 pupils are heading to St Andrews University and 2 to Oxford (Medicine and Geography). In S4, 77.8% of all exams sat were awarded A, which bodes well for continued success, particularly given our bypass pupils being excluded from these figures.

Public Benefit

The Trustees continue to encourage both staff and pupils to contribute directly to the public benefit, practically through community service, support for national activities in arts and sciences, advancement of sport and relief of financial hardship through participation in charitable activities.

The School aims to attract pupils from all backgrounds, ethnic groups and financial circumstances. The level of fees charged is directly related to the cost of the services provided. The Trustees scrutinise an annual budget each March to ensure that costs are controlled and provide value for money. Only after that scrutiny are School fee levels set for the coming session, taking into account current market conditions.

Hutchesons' aims to provide public benefit in its contribution to the on-going development of Scottish education through

- Staff participation with the SQA examination setting, marking and examining:
 - 35 members of staff;
 - 9 different roles - Central Marker, Examiner, Marker, Item Checker, Item Writer, Depute Principal Assessor, Visiting Assessor, Senior Marker Team Leader-Marking QA
 - Subjects including - Spanish, Physics, Chemistry, Modern Studies, History, Psychology, English, Art & Design, Computing Science, Geography, Graphic Communication, Biology, Business Management, Economics, RMPS and Latin.
- Involvement in curriculum development in Scotland and the UK;
- The employment of probationer teachers;
- Sports, both nationally and internationally, and involvement in music, drama and the arts;
- Involvement in clubs and societies, community work and charity fund raising;
- Participation in the Duke of Edinburgh's Award Scheme;
- Hosting international conferences for State and independent schools throughout Scotland;
- Local community projects for both Primary and Secondary pupils;
- Access to the School's sports facilities which provide recreational activities for the local community.

The Governors of Hutchesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

Involvement in the Community

The School has embraced opportunities for enrichment and exploration over the past year. The Music Department travelled to Leipzig, Germany, where they performed live on German television. Our Girls' Hockey and Boys' Rugby teams had a highly successful trip to South Africa, gaining invaluable life experiences. Meanwhile, the Boys' Hockey team is preparing for an exciting visit to Amsterdam, where they will gain insight into how hockey is played at an elite level. A group of pupils ventured to Florida to deepen their understanding of NASA's work and the mysteries of space. Our J8 group continues to thrive, raising awareness and support for those less fortunate in Glasgow. Likewise, the Anti-Racism Group, LGBT+ Café, and Fem Soc are actively championing their respective causes. Our Model United Nations team continues to lead the way across Scotland, earning accolades and recognition as they participate in conferences both in the UK and internationally. Tackling global issues similar to those addressed by the real UN, the pupils develop their understanding of global challenges and explore how countries are working toward positive change.

Closer to home, the School's sports and wider facilities remain in high demand, serving the community during evenings and weekends. We strive to keep costs as low as possible to ensure these exceptional resources are accessible, helping individuals and groups achieve excellence in their chosen pursuits.

Charitable Fund Raising

The School's chosen charity for the 2022/23 session was Cure Leukaemia. Due to disruptions caused by COVID-19, the Senior School continued supporting Cure Leukaemia in 2023/24, while the Primary School selected CHAS (Children's Hospices Across Scotland) as their charity. Pupils and staff hosted a range of fundraising activities, including lunchtime events, After-School activities, and Primary multi-sports events.

The School also partnered with The Doing it for Daniel Foundation, contributing both funds and staff time to support its initiatives. In September 2023, the School hosted the Doingit4Daniel weekend, where pupils, staff, parents, and friends were encouraged to complete a challenge involving the number 13 and raise as much money as possible. This remarkable effort raised over £35,000.

Between 2022 and 2024, the School raised an additional £23,000 for Cure Leukaemia and just over £10,000 for CHAS, showcasing the community's dedication to making a meaningful impact.

Citizenship and International

While the primary purpose of the School is to provide high-quality education, fostering broader skills such as citizenship and global awareness is equally vital. To this end, the School maintains international links with partner schools in Nitte, India; Denver, Colorado, USA; Zwolle, the Netherlands; and Melbourne, Australia. Annual exchange programs with India, the USA, and Australia, which were paused during the COVID-19 pandemic, are now resuming. The upcoming Nitte exchange has generated considerable enthusiasm among both staff and pupils.

The link with Colorado Academy is further enriched through a penfriend scheme involving S1 pupils, who correspond with their peers at the partner school. This relationship is strengthened when visiting students join S1 classes. Additionally, International Education is integrated into the S3 and S4 curriculum on a rotational basis, encouraging pupils to research, discuss, and present on global issues.

In S6, pupils actively engage in community activities as part of their curriculum. During the past session, pupils volunteered with organisations such as Citizens Advice and the Volunteer Tutor Organisation. Others supported hospital patients, disabled groups, and various community initiatives. A dedicated group of S6 pupils also runs the Charity Café on Saturdays and during school events, raising funds while developing their teamwork and leadership skills.

For pupils in S4 to S6 completing their Duke of Edinburgh Silver or Gold Awards, volunteering is a key component. Their contributions span diverse areas of the community, including assisting in school classes after hours and providing support during weekends.

The Governors of Hutesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

University Destinations and Subject Choices

The vast majority of pupils leaving the School at the end of their secondary education decide to further their learning by entry to tertiary education. 2023/24 School leavers left to 21 different universities across the UK, some 13 universities in Scotland and 8 in other parts of the country. Edinburgh, Aberdeen, Strathclyde, Glasgow and St Andrews universities remain highly popular with pupils, but many decide to venture further afield to universities such as Oxford, Cambridge, UCL, Warwick, Manchester and Leeds. In addition, one pupil chose and was accepted to Aviation at the new University of Buckingham. The range of subject choices taken at university is immense. While there are still large numbers who choose the traditional subjects such as Medicine, and related subjects like Dentistry, Pharmacy, Veterinary Medicine, Law and Finance, Business Management and Economics, Engineering, Sciences and Mathematics, others broaden their horizons with different subjects such as Naval Architecture, Geography, Product Design, Audio Technology, Graphic Design, Music, Artificial Intelligence, Astro Physics, Game Design, Sports Management and Primary Teaching. This diversification of choices is gratifying to the Trustees in that it shows that the teaching and learning given by the School can prepare pupils for a wide range of future careers.

Pupil Numbers

The School provided education for an average of 1,200 pupils over the three terms of the academic session 2023-24. The pupil numbers for each group are shown below:

Nursery/Pre-school	63 pupils
Primary	308 pupils
Secondary	829 pupils

Pupil recruitment remains steady but has declined compared to previous years. A higher-than-usual fee increase for 2023/24, combined with external economic pressures, has led to a rise in the number of leavers. The introduction of VAT on school fees is expected to create further uncertainty within the sector, likely resulting in reduced recruitment numbers and a lower overall school roll.

The School continues to actively promote itself and advertise at every opportunity. Open Mornings, now held throughout the year rather than only in October and November, remain the cornerstone of recruitment efforts. Additionally, the admissions process has been adapted to accept applications year-round, rather than limiting it to a single admissions period.

Entry to the School is based on an entrance examination and interview for pupils from Primary 4 through Secondary 3. The School also welcomes a consistent number of intermediate entrants, allowing pupils to join at various stages of their education in both Primary and Secondary levels.

Fundraising Performance

The funds raised from Alumni and friends of the school this year have contributed to bursaries, sports and other school facilities. The current on-going giving to the funds detailed in Note 24 to the Accounts is satisfactory to the Trustees.

The Governors of Hutesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

FINANCIAL REVIEW

Results

The year ended 30 June 2024 was another challenging period for the Trust, as economic uncertainty and the ongoing cost of living crisis continued to affect operations. Despite these pressures, a higher-than-usual fee increase of 15% helped limit the net deficit to £230,811 following an increase in wages as outlined below.

The primary source of income for the School is fee income derived from the provision of education. The ongoing "cost of living crisis," combined with uncertainty surrounding the potential introduction of VAT on school fees, has contributed to a reduction in pupil numbers, with a decrease of 40 compared to the previous year. While the full impact remains uncertain, early indications following the Government's budget announcement in October 2024 suggest that further challenges may lie ahead.

During the year, the School received £214,420 in donations and legacy gifts from generous benefactors. Some of these funds were designated for specific purposes, including sports, science, music, and bursary funding.

The School also maintains an investment portfolio, which generated an income of £112,041 (2023: £119,977). The majority of this income is allocated to support bursaries. The Trustees set a benchmark target of £100,000 for the Investment Managers (2023: £100,000), and despite challenging market conditions, the Trustees are pleased to report that the Investment Managers exceeded this target.

Overall, costs have increased marginally compared to the prior year, broadly in line with inflation. The main expenditure for the school continues to be payroll costs for teaching and support staff. The pay agreement for teachers covered a three-year period from 1 April 2022 to 1 April 2024. It stipulated a 7% pay award in Year 1, 5% in Year 2, and 2% in Year 3. Additionally, from 1 January 2024, a further restoration of 0.8% of the Hutesons' enhancement was applied.

COSLA tabled a revised pay offer for 2024/2025 to Trade Unions in August 2024 which was for a £0.67 uplift on the hourly rate or 3.6% (whichever is higher). This offer was accepted by GMB and Unite, but rejected by Unison. Local Authorities agreed to implement the pay award, on the basis that two Trade Unions have accepted it. The award was implemented, backdated to 1st April 2024, through December's payroll on 19th December 2024.

To stabilise pension costs going forward, the Board decided to withdraw from the Scottish Teachers Pension Scheme, effective 1 September 2023. Teaching staff have since moved to a new Defined Contribution Pension Scheme.

Other operating expenditure has continued to be impacted by high inflation, rising interest rates, and increased energy prices. All supplier contracts are actively managed by the Trust to mitigate the impact of these increases.

The Trust remains committed to managing costs effectively while ensuring the delivery of high-quality education and the continued maintenance of our properties.

In 2023-24, we continued our commitment to enhancing the school's infrastructure, facilities, and overall teaching environment. The most significant capital investment during the year focused on upgrading the electrical systems at the primary school and installing LED lighting across both sites. These projects were undertaken to improve energy efficiency and help reduce ongoing operational costs.

Looking ahead, we have also made capital commitments at the year-end to upgrade classroom furniture at both the primary and secondary schools, further enhancing the learning environment for our students.

The school's cash position at the end of the year reflects a surplus of £2,579,071 (2023: deficit of £1,396,991), primarily driven by an increase in fees received in advance. In June 2024, the £2 million bank overdraft facility with the Bank of Scotland was successfully renewed for a further 12 months to ensure the availability of sufficient working capital. This facility will be reviewed again upon its expiry. A negative pledge remains in place over the school buildings while the overdraft facility is in use.

As a result of the factors outlined above, the audited accounts for the year ended 30 June 2024 report a deficit before gains of £568,377 (2023: £1,719,520). After accounting for realised and unrealised gains, the total deficit stands at £230,811 (2023: £1,727,016).

The Trustees are steadfast in their commitment to securing the school's long-term financial stability. The financial position is closely monitored and reviewed on a monthly basis to ensure ongoing sustainability.

The Governors of Hutesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

Principal Risks and Uncertainties

The Trustees have considered the principal risks and uncertainties facing the School and what can be done to mitigate these risks.

Political

The election of a Labour Government in July 2024 presented a number of risks to the sector, not least the proposal to implement VAT on School Fees. It was anticipated that this would be applied from September 2025, so the earlier implementation from January has had significant impact across independent schools. The budget on 31st October further added an increase to employers NI contributions. Political risk remains a significant uncertainty to the Trustees.

Radicalisation / Religious Bigotry

The Trustees recognise that the risk of pupils being exposed to some form of radicalisation is a possibility and they have taken measures to ensure that all pupils are presented with a balanced view of matters through individual religious assemblies and through multi-faith assemblies. Current conflict in the Middle East has made this an increasingly significant risk which the school continues to manage closely. All staff and Trustees undertake Prevent training as one method of recognising the potential for radicalisation.

School Roll

Trustees are mindful of the fact that the economic climate has affected parents' ability to choose and afford an independent education for their children and monitors the school roll accordingly. The Trustees are conscious that challenges across the sector (most significantly the application of VAT on fees) is likely to affect the school roll, and that pupil numbers will continue to fall. The Trustees are proactively responding to falling pupil numbers, whilst investing in Marketing to attract potential pupils to the school.

Key Management Personnel

Any organisation can be affected by the loss of their Key Management Personnel and the School is no different in that respect. Trustees serve a minimum 4-year term, and can do up to an 8-year term which provides continuity and the dates when the Trustees' office are monitored and time is given to finding a suitable replacement. The Rector, Bursar and Senior Depute Rector are on long-term notice contracts and if one of them were to leave the school, then the Trustees would be in a position to recruit suitable replacements in sufficient time to ensure the continuity of management. The recent recruitment of Rector and CEO demonstrated that the continuity of management could be retained. Acting arrangements can be effectively put in place where timescales for recruitment are more challenging.

Factors Affecting the Financial Position and Performance

The economic environment remains challenging, with continued volatility due to high inflation, rising interest rates, and external economic pressures. These factors have had a material impact on the School's financial position during the academic year. As at the date of signing the accounts, the long-term effects of these economic conditions remain uncertain.

The introduction of VAT on school fees has added a significant layer of uncertainty for the independent education sector. This, combined with a higher-than-usual fee increase for the 2023/24 session, has contributed to a modest decline in pupil numbers. The Finance Committee continues to closely monitor this trend and assess its potential impact on the School's financial performance and sustainability.

The School has maintained its bank overdraft facility, providing adequate short-term working capital to support operations. This facility, along with other measures, is reviewed regularly to ensure financial resilience. Actions to reduce or stabilise costs have been implemented where possible, carefully balancing the need for efficiency with the imperative to maintain the high standards of teaching and learning.

Despite the ongoing economic pressures, demand for places at the School remains steady, supported by effective recruitment efforts and strategic adjustments to the admissions process. However, the full impact of these external factors on future enrolment and fee income remains an area of focus.

The Finance Committee and Board have reviewed multiple financial scenarios over a five-year period to ensure robust planning and preparedness for potential challenges. Based on these reviews, the Trustees are confident that the School is well-positioned to continue as a going concern, with a resilient operating model capable of adapting to changing circumstances.

The Governors of Hutesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

Reserves

The total funds of the Trust are £18,680,438 (2023:£18,911,248) made up as follows:

Endowment & Restricted Funds	£744,965 (2023:£679,590)
Designated Funds	£17,439,875 (2023:£19,028,338)
Unrestricted General	£495,598 (2023:(£796,680))

The policy of the Trustees is to meet expenditure from school fees on an annual basis. It is not their policy to build up reserves, unless for specific capital projects, however they are required to ensure that the endowed and restricted funds maintain a positive balance. The majority of reserves can only be realised by disposing of tangible fixed assets or realising financial investments.

Future Plans

The Trustees' aims for the future are to ensure that the Charitable Purpose of the School continues to be fully realised and that the widest possible access to an education at Hutesons' is available to all in the community, whilst maintaining financial stability.

The Governors of Hutchesons' Educational Trust

Trustees Report For the Year Ended 30 June 2024

Trustees' responsibilities in relation to the financial statements

The charity Trustees are responsible for preparing a Trustees' annual report and 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 charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

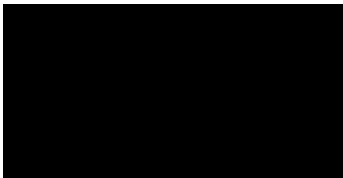
The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Governors of Hutchesons' Educational Trust and signed on their behalf by:



11 June 2025

**Independent Auditors Report to the Governors of Hutchesons' Educational Trust
For the Year Ended 30 June 2024**

Opinion

We have audited the financial statements of The Governors of Hutchesons' Educational Trust (the 'charity') for the year ended 30 June 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charity's affairs as at 30 June 2024, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Independent Auditors Report to the Governors of Hutchesons' Educational Trust
For the Year Ended 30 June 2024**

Matters on which we are required to report by exception

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

- the information given in the Report and Financial Statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the 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 Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditors Report to the Governors of Hutchesons' Educational Trust

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.

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:

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the Trustees; and
- Our enquiries of management and Trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations, including, but not limited to, HM Inspectorate of Education.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and Trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Management bias in accounting estimates.
- Posting inappropriate journal entries.

Independent Auditors Report to the Governors of Hutchesons' Educational Trust

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, Trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business;
- In addressing the risk of material misstatement in management's estimation technique with regards to the bad debt provision, we have reviewed the outcome of historical provisions and assessed the extrapolated effect on the current year provision.

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

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

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 charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Wbg (Audit) Limited
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

11 June 2025

Wbg (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Governors of Hutchesons' Educational Trust
Statement of Financial Activities For the Year Ended 30 June 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Income and Endowments from;									
Donations and legacies	5	26,042	187,778	600	214,420	12,514	144,008	820	157,342
Charitable Activities	6	17,953,106	-	-	17,953,106	16,078,453	-	-	16,078,453
Investments	7	4,899	82,000	25,142	112,041	11,080	82,692	26,205	119,977
Total Income		17,984,047	269,778	25,742	18,279,567	16,102,047	226,700	27,025	16,355,772
Expenditure on;									
Raising funds									
Raising donations and legacies	9	306,076	2,312	-	308,388	316,886	11,044	-	327,930
Investment management costs	10	376,958	16,167	4,810	397,935	178,674	15,635	4,661	198,970
Charitable activities	12	17,842,914	298,707	-	18,141,621	17,368,298	212,100	750	17,581,148
Total Expenditure		18,525,948	317,186	4,810	18,847,944	17,863,858	238,779	5,411	18,108,048
Net (expenditure) / income and net movement in funds before gains and losses on investments		(541,901)	(47,408)	20,932	(568,377)	(1,761,811)	(12,079)	21,614	(1,752,276)
Net gains/(losses) on investments		245,715	31,666	60,185	337,566	2,633	23,367	(739)	25,260
Net (expenditure) / income		(296,186)	(15,742)	81,117	(230,811)	(1,759,179)	11,288	20,875	(1,727,016)
Transfers between funds		-	-	-	-	-	-	-	-
Net movement in funds		(296,186)	(15,742)	81,117	(230,811)	(1,759,179)	11,288	20,875	(1,727,016)
Funds reconciliation									
Total funds brought forward	24	18,231,658	542,267	137,323	18,911,248	19,990,836	530,980	116,448	20,638,264
Total funds carried forward	24	17,935,473	526,525	218,440	18,680,438	18,231,658	542,267	137,323	18,911,248

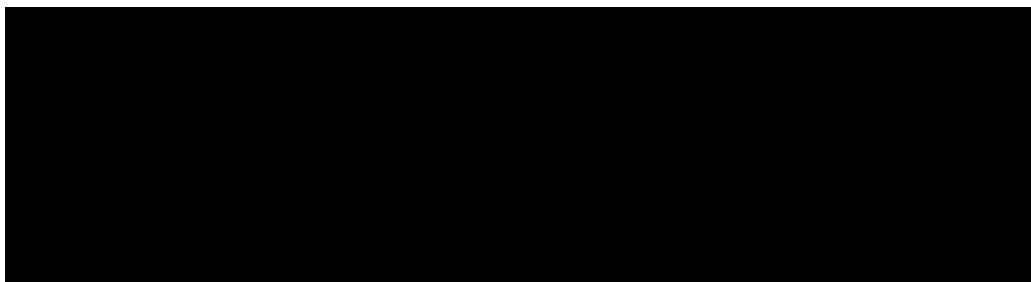
The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Governors of Hutchesons' Educational Trust
Balance Sheet
As at 30 June 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	16	15,018	18,021
Tangible fixed assets	17	20,579,541	20,210,550
Investments	18	<u>3,886,461</u>	<u>3,576,475</u>
Total fixed assets		<u>24,481,020</u>	<u>23,805,046</u>
Current assets			
Stocks	19	7,124	6,178
Debtors	20	1,943,470	2,018,307
Cash at bank and in hand	27	<u>2,579,071</u>	<u>-</u>
Total current assets		4,529,665	2,024,485
Liabilities			
Creditors falling due within one year	21	(4,269,221)	(2,918,715)
Cash at bank and in hand	27	<u>-</u>	<u>(1,396,991)</u>
Net current assets (liabilities)		260,444	(2,291,221)
Creditors falling due after more than one year	22	(6,061,026)	(2,602,577)
Net assets		<u>18,680,438</u>	<u>18,911,248</u>
The funds of the charity			
Endowment funds		218,440	137,323
Restricted income funds		526,525	542,268
Designated funds		17,439,875	19,028,338
Unrestricted funds		<u>495,598</u>	<u>(796,680)</u>
Total charity funds	24	<u>18,680,438</u>	<u>18,911,248</u>

The financial statements incorporating the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes were approved by the Trustees and signed on their behalf by:



The Governors of Hutchesons' Educational Trust

Statement of Cash Flows
For the Year Ended 30 June 2024

	Note	Total Funds 2024 £	Prior Year 2023 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	26	3,183,730	65,733
Cash flows from investing activities:			
Dividends, interest and rents from investments		112,041	119,977
Interest payable		(375,226)	(176,960)
Purchase of property, plant and equipment		(1,154,473)	(1,354,583)
Proceeds from sale of investments		1,563,213	536,297
Purchase of investments		(1,535,633)	(527,759)
Net cash (used in) investing activities		(1,390,078)	(1,403,028)
Cash flows from financing activities:			
Additional loan		2,000,000	0
Loan repayments		(45,549)	(99,178)
New HP		340,735	
Payment of finance lease obligations		(112,777)	(62,256)
Net cash provided by financing activities		2,182,409	(161,434)
Change in cash and cash equivalents in the year		3,976,061	(1,498,729)
Cash and cash equivalents brought forward	27	(1,396,991)	101,738
Change in cash and cash equivalents		3,976,061	(1,498,729)
Cash and cash equivalents carried forward	27	2,579,070	(1,396,991)

The Governors of Hutesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2023

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trust constitutes as a public benefit entity as defined by FRS 102.

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

Given the current economic climate, all financial projections for the next 5 years were revised and reviewed. After review and scrutiny of these projections, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(b) Funds structure

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the Trust. The Governors may establish designated funds which are unrestricted funds earmarked for a particular purpose. Endowment and Restricted funds are specifically held to provide bursaries and prizes to the school's pupils. Prize awards are included as part of the Endowment and Restricted Funds and are not disclosed separately due to their immateriality.

Further details of each fund are disclosed in note 24.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees comprise tuition and other charges receivable in the year. Fees received in advance are deferred to the session in which they relate (see Note 23).

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2023

1. Accounting Policies (continued)

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (e) below.

- Costs of raising donations and legacies comprise the costs of development and marketing and charity fundraising costs and their associated support costs;
- Investment management costs comprise of investment management fees, finance and other charges and term loan interest.
- Expenditure on charitable activities includes those costs incurred by the Trust in the provision of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the staff time or usage. The allocation of support and governance costs is analysed in note 11.

(f) Intangible fixed assets, amortisation and impairment

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Website development costs 10 years

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2023

1. Accounting Policies (continued)

(g) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

Land & Buildings

Heritable Property Land and buildings at 1% of cost or valuation at the end of the year. Short life property is depreciated over the course of the useful life.

Leasehold Property Leasehold property is depreciated over the remaining life of the lease less estimated residual value.

All expenditure on Land & Buildings below £5,000 per individual item is written off to revenue in the year of expenditure. For amounts in excess of £5,000 consideration is given to the nature of the work done. Additions and improvements to buildings are capitalised where the amount is in excess of £5,000.

Furniture, Fittings and Equipment 20% per annum of net book value at the beginning of the year plus 6 months depreciation on the cost of current year additions.

Computer Equipment 25% on cost at the end of the year.

Motor Vehicles 25% on cost at the end of the year.

Equipment purchased at a cost of less than £1,000 per individual item, excluding computer equipment, is written off to the revenue account in the year of acquisition. All other equipment is capitalised at cost.

(h) Investments

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

The Trust does not acquire put options, derivatives or other complex financial instruments.

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

(i) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

The Governors of Hutesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2023

1. Accounting Policies (continued)

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(k) Cash at bank and in hand

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

(l) Creditors and provisions

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

(m) Realised gains and losses

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

(n) Pensions

The Trust's employees belong to two principal pension schemes , provided by Royal London. Teaching staff were enrolled in the defined contribution scheme, having been transferred from the Scottish Teachers Pension Scheme (STPS) with effect from 1 September 2023.

The current employer rate is 22% (2023: 22%), with the employees' rate being variable (2023:variable) dependent on the employees' full time equivalent salary.

(o) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

The Governors of Hutesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2023

1. Accounting Policies (continued)

(p) Leasing and Hire Purchase Contracts

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over the shorter of their useful lives and lease term. The interest element of the rental obligation is charged to the revenue account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the revenue account on a straight line basis over the lease term.

(q) Financial Instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(r) Employee Benefits

The cost of short-term employee benefits are recognised as a liability and as an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employees services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, the Governors 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Governors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Bad debt provision - the Trust makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of debtors, management considers factors including credit rating and ageing.

Depreciation - management assess the depreciation rate by giving consideration to the useful life of each asset class and of its' use within the Trust.

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

2. Judgements and Key Sources of Estimation Uncertainty (continued)

Valuation of assets - management gives periodic consideration to the value in use or recoverable value of each asset group, for example tangible fixed assets or inventory. Should the value in use or recoverable value be lower, the requirement for impairment is considered. There is no regular external valuation of tangible fixed assets undertaken by the Trust.

Discount rate

The discount rate used for impairment assessment or for the valuation of finance leases is the current cost of capital for the Trust.

3. Legal status of the Trust

The Trust is a registered Scottish charity.

4. Related party transactions and governors' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit cash or kind (2023: £nil). Expenses paid to the governors in the year totalled £1,065 (2023: £184). No expenses were waived by any governors (2023: £nil). One Trustee made a donation to the school of £30,000 (2023: nil).

A number of Trustees have children at the school. During the 2023-24 academic session, a total of 7 (2023: 6) Trustees met the fees of a total of 13 (2023: 10) pupils at the school. Fees paid by the parent Trustees are the same as the rate applicable to other pupils.

5. Income from donations and legacies

	2024 £	2023 £
Donations and Fund Raising Committee	200,765	141,897
Charity Committee Fundraising	13,655	15,445
	<u>214,420</u>	<u>157,342</u>

6. Income from charitable activities

	2024 £	2023 £
Fee Income	17,660,982	15,851,160
Other Educational Income	292,124	227,293
	<u>17,953,106</u>	<u>16,078,453</u>

72% 79%

7. Investment income

	2024 £	2023 £
Dividends - equities	112,041	119,977
	<u>112,041</u>	<u>119,977</u>

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

8. Other incoming resources

In the year to 30th June 2024, the Trust received no income from other resources.

9. Raising funds - expenditure on raising donations and legacies

	Direct Costs	Support Costs	Total 2024
	£	£	£
Development and Marketing Costs	256,953	49,123	306,076
Charity Committee Fundraising Donations Paid	2,312	-	2,312
	<u>259,265</u>	<u>49,123</u>	<u>308,388</u>

	Direct Costs	Support Costs	Total 2023
	£	£	£
Development and Marketing Costs	267,602	49,283	316,885
Charity Committee Fundraising Costs	11,044	-	11,044
	<u>278,646</u>	<u>49,283</u>	<u>327,929</u>

10. Raising funds - investment management costs

	Direct Costs	Support Costs	Total 2024
	£	£	£
Investment management fees	22,709	-	22,709
Finance and Other Charges	375,226	-	375,226
	<u>397,935</u>	<u>-</u>	<u>397,935</u>

	Direct Costs	Support Costs	Total 2023
	£	£	£
Investment management fees	22,009	-	22,009
Finance and Other Charges	176,961	-	176,961
	<u>198,970</u>	<u>-</u>	<u>198,970</u>

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

11. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated 2024	Raising Funds	Fee Income	Other Educational	Governance	Basis of apportionment
	£	£	£	£	£	
Staff costs	1,506,299	21,809	1,222,956	120,228	141,305	Headcount
Catering costs	298,775	5,383	262,438	28,263	2,692	Headcount
Depreciation	779,966	2,322	716,050	61,246	348	Area
Equipment maintenance	247	4	217	23	2	Headcount
General Expenses	62,020	1,117	54,477	5,867	559	Headcount
General Expenses - Property	59,160	176	54,312	4,645	26	Area
Grounds Maintenance	57,056	1,028	50,117	5,397	514	Headcount
Heat, Light & Cleaning	977,024	2,909	896,960	76,719	436	Area
Matrons Supplies	13,120	236	11,524	1,241	118	Headcount
Network Services	299,214	5,391	262,823	28,304	2,696	Headcount
Printing, Stationery & Postage	1,347	24	1,183	127	12	Headcount
Professional fees	200,854	3,619	176,426	19,000	1,809	Headcount
Rent, rates and insurance	725,469	2,159	666,019	56,966	324	Area
Repairs to property	277,440	826	254,705	21,786	124	Area
Telephones	13,527	244	11,882	1,280	122	Headcount
Vehicle costs	86,456	257	79,371	6,789	39	Area
Total	5,357,974	47,506	4,721,460	437,881	151,127	

Governance costs:

	2024
	£
Meeting costs and travel	7,786
Auditor's remuneration	18,454
Support costs (see above)	151,127
	177,367

Allocation of governance and other support costs:

	Support Costs	Governance	2024
	£	£	£
Raising funds	47,506	1,618	49,124
Expenditure relating to fee income	4,721,460	160,833	4,882,293
Other educational expenditure	437,881	14,916	452,797
	5,206,847	177,367	5,384,214

The Governors of Hutesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2023

11. Allocation of governance and support costs (continued)

Cost type	Total allocated 2023	Raising Funds	Fee Income	Other Educational	Governance	Basis of apportionment
	£	£	£	£	£	
Staff costs	1,420,591	20,568	1,153,370	113,388	133,265	Headcount
Catering costs	401,219	7,229	352,422	37,953	3,615	Headcount
Depreciation	710,570	2,115	652,341	55,796	317	Area
Equipment maintenance	285	5	250	27	3	Headcount
General Expenses	15,280	275	13,422	1,445	138	Headcount
General Expenses - Property	32,233	96	29,592	2,531	14	Area
Grounds Maintenance	140,536	2,532	123,444	13,294	1,266	Headcount
Heat, Light & Cleaning	951,295	2,832	873,339	74,699	425	Area
Matrons Supplies	7,264	131	6,381	687	65	Headcount
Network Services	302,577	5,452	265,777	28,622	2,726	Headcount
Printing, Stationery & Postage	1,683	30	1,478	159	15	Headcount
Professional fees	181,209	3,265	159,170	17,141	1,633	Headcount
Rent, rates and insurance	702,439	2,091	644,876	55,158	314	Area
Repairs to property	166,769	496	153,103	13,095	74	Area
Telephones	12,089	218	10,619	1,144	109	Headcount
Vehicle costs	81,640	243	74,950	6,411	36	Area
Total	5,127,679	47,580	4,514,534	421,550	144,015	

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

11. Allocation of governance and support costs (continued)

Governance costs:

	2023
	£
Meeting costs and travel	340
Auditor's remuneration	14,508
Support costs (see above)	144,015
	<u>158,863</u>

Allocation of governance and other support costs:

	Support Costs	Governance	2023
	£	£	£
Raising funds	47,579	1,704	49,283
Expenditure relating to fee income	4,514,534	143,601	4,658,135
Other educational expenditure	421,550	13,557	435,107
	<u>4,983,663</u>	<u>158,862</u>	<u>5,142,525</u>

12. Analysis of expenditure on charitable activities

	Expenditure relating to fee income	Other educational expenditure	2024
	£	£	£
Teaching staff salaries	9,925,440	-	9,925,440
Lab technicians salaries	137,944	-	137,944
School admin salaries	1,103,453	-	1,103,453
Librarians salaries	96,541	-	96,541
In service training	47,928	-	47,928
Advertising	13,660	-	13,660
Departmental supplies	283,262	-	283,262
School equipment maintenance	9,806	-	9,806
Examination fees	81,120	-	81,120
General expenses	195,602	-	195,602
Reprographics	69,603	-	69,603
Subscriptions	55,660	-	55,660
Transport, travel and trips	163,542	-	163,542
Bursary awards	622,970	-	622,970
Governance costs (note 11)	160,833	14,916	175,749
Support costs (note 11)	4,721,460	437,881	5,159,341
	<u>17,688,824</u>	<u>452,797</u>	<u>18,141,621</u>

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

12. Analysis of expenditure on charitable activities (continued)

	Expenditure relating to fee income	Other educational expenditure	2023
	£	£	£
Teaching staff salaries	9,789,605	-	9,789,605
Lab technicians salaries	127,776	-	127,776
School admin salaries	1,021,021	-	1,021,021
Librarians salaries	89,476	-	89,476
In service training	41,894	-	41,894
Advertising	11,774	-	11,774
Departmental supplies	232,034	-	232,034
School equipment maintenance	13,592	-	13,592
Examination fees	78,440	-	78,440
General expenses	67,219	-	67,219
Reprographics	56,285	-	56,285
Subscriptions	40,219	-	40,219
Transport, travel and trips	123,893	-	123,893
Bursary awards	794,678	-	794,678
Governance costs (note 11)	143,601	13,557	157,158
Support costs (note 11)	4,514,534	421,550	4,936,084
	17,146,041	435,107	17,581,148

The Governors of Hutchesons' Educational Trust**Notes to the Accounts for the Year Ended 30 June 2024****13. Employee Numbers and Costs**

The average monthly number of persons employed by the Trust during the period was as follows:

	2024	2023
	No	No
Teaching staff	139	142
School administration	102	95
Property staff	12	12
Trust office staff	10	9
	<u>263</u>	<u>258</u>

The numbers shown above are actual headcount and not full time equivalent. A number of staff are employed on a part time basis, with a variety of hours worked. The average monthly number of full time equivalent staff employed by the Trust during the period was as follows:

	2024	2023
	No	No
Teaching staff	128	127
Academic support	20	19
Non-academic support	65	62
	<u>213</u>	<u>208</u>
Temporary Supply	-	-
	<u>213</u>	<u>208</u>

The above full time equivalent excludes peripatetic music staff due to the nature of their employment with the Trust.

	2024	2023
	£	£
Salaries and wages	10,009,672	9,795,396
Social security costs	991,958	1,031,481
Employer contributions to pension schemes	1,913,784	1,831,645
Total staff costs and employee benefits	<u>12,915,414</u>	<u>12,658,522</u>

The Governors of Hutchesons' Educational Trust**Notes to the Accounts for the Year Ended 30 June 2024****13. Employee Numbers and Costs (continued)**

The number of employees whose employee benefits fell within the following bands are as follows:

	2024	2023
	No	No
£60,000 - £70,000	29	25
£70,001 - £80,000	5	5
£80,001 - £90,000	1	0
£90,001 - £100,000	0	2
£100,001 - £150,000	2	0
£150,001 - £160,000	0	1
£160,000 plus	0	0

During the year amounts totalling £594,955 (2023: £502,135) were paid by the Trust to defined benefit pension schemes in respect of the above employees. The total amount of employee benefits paid to Key Management Personnel including pension benefits was £536,352 (2023: £573,577).

14. Pension and Benefits

The Trust's employees belong to 2 principal pension schemes, provided by Royal London. Teaching staff were enrolled in the defined contribution scheme, having been transferred from the Scottish Teachers Pension Scheme (STPS) with effect from 1 September 2023. Support Staff transferred from Standard Life from 1 September 2024.

	2024	2023
	£	£
HET Pension Plan & Group Life	1,612,225	264,552
STPS Contributions Paid	301,559	1,567,093
Total Pension Cost for the Year	1,913,784	1,831,645

The pension costs are assessed in accordance with the advice of the independent qualified actuaries.

Hutchesons' Educational Trust Personal Plan & Group Life Assurance Scheme

The Hutchesons' Educational Trust Personal Plan & Group Life Assurance Scheme is a defined contribution scheme, the charge is the value of the contributions paid during the year.

The Governors of Hutesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

15. Net income / (expenditure) for the year**This is stated after charging:**

	2024	2023
	£	£
Auditor remuneration - audit services current year	18,454	14,508
Depreciation	785,483	707,567
Amortisation of intangible assets	3,003	3,003
Finance lease interest and administration costs in year	14,755	8,827
Term loan interest	234,414	75,813
Operating lease charges in the year	44,198	29,072

16. Intangible Fixed Assets

	Website development costs £	Total £
Cost or valuation		
At 1 July 2023	30,034	30,034
Additions	-	-
At 30 June 2024	<u>30,034</u>	<u>30,034</u>
Depreciation and impairment		
At 1 July 2023	12,013	12,013
Charge for the year	<u>3,003</u>	<u>3,003</u>
At 30 June 2024	<u>15,016</u>	<u>15,016</u>
Net book value		
At 30 June 2024	<u>15,018</u>	<u>15,018</u>
At 30 June 2023	<u>18,021</u>	<u>18,021</u>

Website development costs represent costs incurred for the school website.

The Governors of Hutesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

17. Tangible Fixed Assets

	Heritable Land & Buildings	Leasehold Land & Buildings	Furniture, Fittings & Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 July 2023	24,149,212	1,316,424	3,596,791	2,534,758	28,868	31,626,053
Additions	-	-	1,028,550	125,924	-	1,154,473
Disposals	-	-	-	-	-	-
At 30 June 2024	24,149,212	1,316,424	4,625,341	2,660,682	28,868	32,780,526
Depreciation						
At 1 July 2023	6,198,398	40,138	2,779,846	2,368,252	28,868	11,415,502
Charge for the year	393,442	21,363	282,971	87,708	-	785,483
Disposals	-	-	-	-	-	-
At 30 June 2024	6,591,840	61,500	3,062,817	2,455,960	28,868	12,200,985
Net book value						
At 30 June 2024	17,557,372	1,254,923	1,562,524	204,722	-	20,579,541
At 30 June 2023	17,950,814	1,276,286	816,945	166,506	-	20,210,551

Included above are heritable land and buildings at Kingarth Street with a historical cost of £44,887 which were revalued in 1957 at £232,500.

Included within Computer Equipment are assets acquired under hire purchase. The cost in 2024 was £806,150 (2023: £692,731). Depreciation on these assets is £760,683 (2023: £692,731).

Included within Leasehold Land and Buildings are assets acquired under a finance lease. The cost in 2024 was £158,924 (2023: £158,924). Depreciation on these assets is £4,874 (2023: £2,331).

The Governors of Hutchesons' Educational Trust**Notes to the Accounts for the Year Ended 30 June 2024****18. Investments**

	2024	2023
	£	£
Market value brought forward at 1 July 2023	3,576,475	3,559,753
Add: additions to investments at cost	1,535,633	527,759
Disposals at carrying value	(1,525,471)	(503,541)
Add net loss / (gain) on revaluation	299,825	(7,496)
Market value as at 30 June 2024	<u>3,886,462</u>	<u>3,576,475</u>

Investments at fair value comprised:

	2024	2023
	£	£
Listed investments	3,184,396	2,934,716
Gilts & Fixed Interest Securities	652,184	512,754
Cash Deposits & Cash Equivalent Investments	<u>49,882</u>	<u>129,005</u>
	<u>3,886,462</u>	<u>3,576,475</u>

Book cost of investments

<u><u>3,197,956</u></u>	<u><u>3,206,924</u></u>
-------------------------	-------------------------

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. In terms of specific risks including foreign exchange and credit risks, the charity uses specialist investment managers to balance and limit the overall financial risk by operating a portfolio which provides a high degree of diversification of holdings within a fairly wide band of investment asset classes all of which are quoted on recognised stock exchanges. In addition, the charity does not make use of riskier derivatives or more complex financial instruments in this area. Liquidity risk is expected to be low as all assets are traded in markets with high trading volumes and not in any markets subject to exchange controls or trading restrictions.

It has been an eventful year economically, politically and geopolitically. Inflation has fallen back from over 10% in 2022 towards the Bank of England's (BoE) target rate of 2%, in May and interest rates have also started to fall. Global stock markets have progressed well, driven by the US and with progress heavily concentrated in a small number of stocks that are set to benefit from the use of Artificial Intelligence (AI).

With big changes to governing parties in the UK, France and with a potential change in the US, markets remain sensitive to policy changes. The war between Russia and Ukraine and the turmoil in the Middle East has also dominated headlines. In spite of the turmoil's, corporate earnings and profitability have remained strong and the portfolio has risen in value. The holdings are well diversified, geographically and between asset classes. We regularly review the investment objectives, strategy and progress with the investment manager and are confident that the portfolios are well positioned to continue to meet the return and distribution aspirations for each fund going forward.

The Governors of Hutesons' Educational Trust**Notes to the Accounts for the Year Ended 30 June 2024****19. Stock**

	2024	2023
	£	£
Stock - merchandise	7,124	6,178
	<u>7,124</u>	<u>6,178</u>

There is no material difference between book value of stocks and replacement costs.

20. Debtors

	2024	2023
	£	£
Tuition fees	1,623,215	1,683,283
Other debtors	320,255	335,024
	<u>1,943,470</u>	<u>2,018,307</u>

21. Creditors: amounts falling due within one year

	2024	2023
	£	£
Net obligations under finance leases	58,636	62,977
Term loan	49,926	24,648
Trade creditors	404,132	798,343
Taxation and social security	269,333	273,701
Accrued charges	75,620	296,522
Advanced school fees (Note 23)	2,999,125	1,175,585
Other creditors	412,449	286,939
	<u>4,269,221</u>	<u>2,918,715</u>

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

22. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Finance leases/hire purchase	386,592	154,292
Term loan	3,104,758	1,175,585
Advanced school fees (note 23)	2,569,676	1,272,700
	<u>6,061,026</u>	<u>2,602,577</u>

The Trust has acquired a number of assets under hire purchase and finance leases. The capital repayments are included in creditors. The hire purchase and finance lease liabilities are secured on the assets concerned. The amounts payable, net of future interest, is as below:

	2024	2023
	£	£
Within one year	58,636	62,977
In the second to fifth year inclusive	201,675	9,215
Greater than five years	184,917	145,077
	<u>445,228</u>	<u>217,269</u>

In March 2021, the Trust entered into a 25 term year term loan arrangement with Bank of Scotland for £1.25m. The loan was to fund the acquisition of the H@PP sports complex. In July 2023, the Trust entered into a further 25 year term loan arrangement with the Bank of Scotland for an additional £2m. The loans are secured over the Beaton Road property. The amounts payable, net of future interest, is as below:

	2024	2023
	£	£
Within one year	49,926	24,648
In the second to fifth year inclusive	499,798	112,575
Greater than five years	2,604,960	1,063,010
	<u>3,154,684</u>	<u>1,200,233</u>

23. Deferred Income

	2024	2023
	£	£
Balance as at 1 July 2023	2,448,285	2,123,035
Amounts released to income	(1,175,585)	(1,232,722)
Amounts deferred in year	4,296,101	1,557,972
Balance as at 30 June 2024	<u>5,568,801</u>	<u>2,448,285</u>

	2024	2023
	£	£
Due in less than one year	2,999,125	1,175,585
Due in greater than one year	2,569,676	1,272,700
Balance as at 30 June 2024	<u>5,568,801</u>	<u>2,448,285</u>

Deferred income relates to school fees paid in advance.

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

24. Analysis of charitable funds

Analysis of fund movements	Balance b/fwd 2023 £	Income £	Expenditure (gains) / losses £	Investment gains / (losses) £	Transfers £	Fund c/fwd 2024 £
Unrestricted funds						
Tangible Fixed Assets	19,028,339	-	788,487	-	(799,977)	17,439,875
Total designated funds	19,028,339	-	788,487	-	(799,977)	17,439,875
General funds	(796,680)	17,984,047	17,737,461	245,715	799,977	495,598
Total unrestricted funds	18,231,659	17,984,047	18,525,948	245,715	-	17,935,473
Endowment funds						
Freda Brown Fund	15,698	-	-	-	-	15,698
The Martina Thomson Hislop Bursaries Fund	121,625	25,742	4,810	60,185	-	202,742
Total Endowment funds	137,323	25,742	4,810	60,185	-	218,440
Restricted funds						
Bursary Fund	98,583	184,044	314,293	31,666	-	-
Helping Hands	5,683	-	-	-	-	5,683
Prize Fund	115,195	3,068	581	-	-	117,682
ICT Fund	1,456	-	-	-	-	1,456
Music & Arts Fund	37,652	8,330	-	-	-	45,982
Sports Fund	236,331	10,884	-	-	-	247,215
Library Fund	978	-	-	-	-	978
Special Projects	33,582	49,797	-	-	-	83,379
Funds received as agent:						
Charity fund	12,807	13,655	2,312	-	-	24,150
Total restricted funds	542,267	269,778	317,186	31,666	-	526,525
TOTAL FUNDS	18,911,249	18,279,567	18,847,944	337,566	-	18,680,438

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

24. Analysis of charitable funds (continued)

Analysis of fund movements	Balance b/fwd 2022 £	Income £	Expenditure (gains) / losses £	Investment gains / (losses) £	Transfers £	Fund c/fwd 2023 £
Unrestricted funds						
Tangible Fixed Assets	18,360,959	-	710,570	-	1,377,949	19,028,339
Total designated funds	18,360,959	-	710,570	-	1,377,949	19,028,338
General funds	1,629,877	16,102,047	17,153,288	2,633	(1,377,949)	(796,680)
Total unrestricted funds	19,990,836	16,102,047	17,863,858	2,633	-	18,231,656
Endowment funds						
Freda Brown Fund	16,448	-	750	-	-	15,698
The Martina Thomson Hislop Bursaries Fund	100,000	27,025	4,661	(739)	-	121,625
Total Endowment funds	116,448	27,025	5,411	(739)	-	137,323
Restricted funds						
Bursary Fund	100,000	202,353	227,136	23,367	-	98,583
Helping Hands	5,683	-	-	-	-	5,683
Prize Fund	112,290	3,504	599	-	-	115,195
ICT Fund	1,456	-	-	-	-	1,456
Music & Arts Fund	37,352	300	-	-	-	37,652
Sports Fund	235,564	767	-	-	-	236,331
Library Fund	978	-	-	-	-	978
Special Projects	29,251	4,331	-	-	-	33,582
Funds received as agent:						
Charity fund	8,406	15,445	11,044	-	-	12,807
Total restricted funds	530,980	226,700	238,779	23,367	-	542,267
TOTAL FUNDS	20,638,264	16,355,772	18,108,048	25,260	-	18,911,248

The Governors of Hutesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

24. Analysis of charitable funds (continued)

Tangible fixed assets comprise school properties for nursery, primary and secondary education, along with playing fields for sports activities. These also include all fixtures and fittings, computer equipment and school vehicles. The balance is shown net of the term loan entered into to acquire the Craigholme Sports Complex.

General funds largely comprise liquid assets, which can be utilised freely by the Trust.

The Freda Brown Fund is an endowment fund and related to income received from the Park School Educational Trust on the condition that the Trust provide a prize, in perpetuity, to the highest performing girls at Hutesons' Grammar School in S5 continuing to S6.

The Martina Thomson Hislop Bursaries Fund is an expendable endowment fund for the governors to provide bursaries. Bursaries are to be awarded to candidates who are of sufficient scholastic attainment to merit the award. In the event that bursaries are no longer awarded at the school, the governors shall at their discretion apply the capital of the bequest to the general educational benefit of pupils attending the school.

Bursary Fund – this fund relates to money received by the Trust which the charity uses to support bursaries to pupils.

Helping hands – This fund offers financial help to cover costs of essential trips, additional sportswear or music lessons, enabling those on Bursaries to take part in life enhancing extra curriculum activities.

Prize Fund – this was established by the donation of funds which were restricted to providing prizes on a yearly basis to meritorious pupils.

ICT fund – this money received to this fund is used to fund computing projects. This fund was closed to further donations in October 2012.

Music & Arts Fund – the Music & Arts fund is used to improve performing arts facilities at the school.

Sports Fund – this fund helps meet the cost of new equipment, uniforms, transport and tours to matches and fixtures both in the UK and overseas.

Library Fund – the Library Fund provides resources to the Kingarth Street Library. This fund was closed to further donations in October 2012.

Special Projects – following a review of restricted funds we elected to introduce 1 fund which each year would be allocated to specific tangible projects. During the current year this related to gym equipment and musical instruments.

Charity Fund – each year the charity committee nominates a charity which benefits from a number of school fundraising events. The Trust accounts for these as funds received as an agent. During the current year the main beneficiary was 'Cure Leukaemia'.

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

25. Net assets over funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £
Intangible assets	15,018	-	-	15,018
Tangible assets	20,579,541	-	-	20,579,541
Investments	297,539	2,776,184	812,737	3,886,461
Stocks	7,124	-	-	7,124
Debtors	1,943,470	-	-	1,943,470
Cash at bank and in hand	5,423,027	(2,249,659)	(594,297)	2,579,071
Creditors < 1 year	(4,269,221)	-	-	(4,269,221)
Creditors > 1 year	(6,061,026)	-	-	(6,061,026)
	<u>17,935,473</u>	<u>526,526</u>	<u>218,440</u>	<u>18,680,438</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Intangible assets	18,021	-	-	18,021
Tangible assets	20,210,550	-	-	20,210,550
Investments	272,687	2,545,978	757,810	3,576,475
Stocks	6,178	-	-	6,178
Debtors	2,018,307	-	-	2,018,307
Cash at bank and in hand	1,807,731	(2,584,235)	(620,487) -	1,396,991
Creditors < 1 year	(2,918,715)	-	-	(2,918,715)
Creditors > 1 year	(2,602,577)	-	-	(2,602,577)
	<u>18,812,182 -</u>	<u>38,257</u>	<u>137,323</u>	<u>18,911,248</u>

The Governors of Hutchesons' Educational Trust

Notes to the Accounts for the Year Ended 30 June 2024

26. Reconciliation of net income to net cashflow from operating activities

	2024 £	2023 £
Net (expense) as per the Statement of Financial Activities	(230,811)	(1,727,016)
Adjustments for:		
Depreciation and amortisation charges	788,486	710,570
Dividends, interest and rents from investments	(112,041)	(119,977)
Interest payable	375,226	84,640
Gain on investments	(337,566)	(25,260)
Increase in stocks	(946)	(77)
Decrease in debtors	74,837	299,873
Increase in creditors	2,626,545	842,980
Net cash provided by operating activities	3,183,730	65,773

27. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	2,579,071	(1,396,991)
Total cash and cash equivalents	2,579,071	(1,396,991)

On 10 June 2020 a bank overdraft facility of £1.5m was arranged with Bank of Scotland to ensure availability of sufficient working capital given the adverse and still fully unknown impacts of the Coronavirus pandemic. This was extended to £2m in January 2022. The facility was renewed for period of 12 months on 30 June 2024. A negative pledge is in place over the school buildings whilst the overdraft facility is in use.

28. Analysis of Net Debt

	1 July 2023 £	Cash Flow £	Non-cash changes £	30 June 2024 £
Cash at bank and in hand	(1,396,991)	3,976,061	-	2,579,069
Term loan	(1,200,233)	(1,954,451)	0	(3,154,684)
Finance leases	(217,269)	112,777	(340,736)	(445,228)
	(2,814,493)	2,134,387	(340,736)	(1,020,843)

The Governors of Hutchesons' Educational Trust
Notes to the Accounts for the Year Ended 30 June 2024

29. Capital Commitments

There were capital commitments of £60,000 at 30 June 2024. This relates to a the furniture update for both Kingarth Street and Beaton Road and represents 50% of the total amount due.

30. Leasing Commitments

At 30 June 2024 Hutchesons' Educational Trust had the following commitments under non-cancellable operating leases:

	Motor Vehicles 2024 £	Motor Vehicles 2023 £
Operating leases which expire:		
Within 1 year	10,023	12,132
In second to fifth year inclusive	-	3,648
	<u>10,024</u>	<u>15,781</u>

31. Contingent Assets & Liabilities

The Trust has been notified of a significant residual legacy, which has not been recognised in its financial statements. The legacy is subject to the life interest of a third party and as at 8 October 2022 was estimated at approximately USD10 million.

An outsourced catering arrangement with Aramark was entered into in September 2021. As part of the new contract, funding of £400,000 + VAT has been committed to, for upgrades to the school catering facilities. The assets acquired as part of the funding will be treated as contingent assets, as title will not pass to GoHET until the earlier of the end of the contract, or upon termination and settlement by GoHET of the amortised balance. As such, there is a potential liability to Aramark for the capital sums invested should there be early termination of the contract. There is no intention at this stage of early termination.