

GEORGE HERIOT'S TRUST

**Consolidated Financial Statements
and Governors' Report**

for the year ended 31 July 2024

Charity number: SC011463

GEORGE HERIOT'S TRUST
CONSOLIDATED FINANCIAL STATEMENTS AND GOVERNORS' REPORT
for the year ended 31 July 2024

Contents	Page
Governors' Report	1
Independent Auditor's Report	15
Consolidated Statement of Financial Activities	19
Trust Statement of Financial Activities	20
Consolidated and Trust Balance Sheets	21
Consolidated and Trust Statement of Cash Flows	22
Notes to the Financial Statements	23

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

The Governors present their annual report and the consolidated financial statements for the year ended 31 July 2024. The report has been prepared in accordance with current statutory reporting requirements for charities in Scotland.

OBJECTIVES AND ACTIVITIES

Objectives

George Heriot's Trust was established in 1624 under the Will of George Heriot, jeweller and goldsmith to King James VI and I, who left the residue of his estate:

for and towardis the funding and erecting of ane hospittill within the said towne of Edinburgh in perpetuitie and for and towardis the purchasing of certane landis in perpetuitie to belong unto the said hospittill to be imployit for the maintenance relief bringing up and educatioune of Puire fatherless bairnes friemens sones of that Towne of Edinburgh.

The George Heriot's Trust Scheme and Trust Regulations approved by OSCR on 15 February 2017 and adopted by the Trustees on 3 March 2017 have been revised and adopted by the Board of Governors at the meeting in June 2024. The George Heriot's Trust Scheme 2017 (amended June 2024) describes the Trust's charitable purposes. The Trust's Charitable Purposes remain unchanged:

- a) the advancement of education, particularly the education and advancement of children and young people;
- b) the advancement of the arts, heritage, culture and science;
- c) the advancement of public participation in sport;
- d) the provision of recreational facilities, or the organisation of recreational facilities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; and
- e) the advancement of citizenship and community development.

The Trust has various powers as set out in the Trust Scheme, including the power to:

- a) maintain and educate children ("Foundationers") whose mother and/or father has died and who meet, financial, entrance and residence criteria;
- b) to run, supervise, manage, operate, maintain, furnish, equip, promote and develop schools, and educational activities and establishments of all kinds, including George Heriot's School ("the School");
- c) to establish, manage and administer, trusts, funds, bursaries, foundations, endowments and similar, to provide financial and other assistance for the advancement of the Trust Purposes.

The George Heriot's Trust Scheme 2017 (amended June 2024) requires that the Scheme and Regulations are reviewed by the Board of Governors periodically. A full review of the Trust Scheme, Trust Regulations and Committee Terms of References has taken place. During the reporting period, changes to the Regulations relate to the committees and sub-committees of the Board, whose names, objectives, and remits are to be aligned more closely with the revised senior management roles and committees of the School, with a view to providing more effective support and challenge. An important change to the Trust Scheme has removed reference to 'Free' education for Foundationers. This has been changed to 'Supported' education so as to broaden the charitable impact of Foundation funds and support more pupils who have lost a parent. The charitable purposes of the Trust remain the same.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Activities

The Trust's principal activities continue to be the provision of education at George Heriot's School, an independent day school for 4-18 year old young people, including the provision of a supported education for Foundationers at the School.

The School's aims are:

For pupils

- to benefit from every learning opportunity and value scholarship
- to be positive, work hard and always seek to do their best
- to feel safe, secure, valued and happy
- to be responsible and self-disciplined in attitude and action
- to become well-rounded, confident, and sympathetic individuals and citizens
- to leave Heriot's as thoughtful, outward-looking, environmentally conscious citizens

For staff

- to be proactive in upholding the Heriot's ethos
- to be effective in sustaining Heriot's commitment to excellence
- to feel valued and supported in their work
- to show high levels of commitment and motivation and professionalism

For parents/guardians

- to be partners with the School in promoting their children's learning and care
- to feel that they are valued members of the Heriot's community, whose comments and concerns are listened to and expeditiously handled.

Measures of success include excellent academic results; continued high levels of demand at entry points; provision of both Foundation and bursarial support for as many pupils as possible; success in curricular and co-curricular activities; excellent participation rates in a wide range of activities and positive parental, pupil, and staff feedback.

Whole School Report

In accordance with the requirements of the Governors' Report the statements demonstrate adherence to the Trust's purposes and principal activities at a strategic level. For a full and comprehensive report that details the activities of the School for Session 2023-2024, a Standards and Quality report is produced. This is accessible on the School website.

The inspection of the School by Education Scotland

As part of strategy creation, HGIOS4 is used to provide a framework from which whole school objectives can be identified. The inspection of the Junior and Senior School by Education Scotland in April 2024 provided a rigorous evaluation of the School's work in four of the Quality Indicators found within HGIOS 4. The findings and recommendations were subsequently incorporated into the School's strategic plan. The outcomes of the inspection were excellent. In two of the four categories the School was considered excellent and sector leading. In the remaining two it was viewed as very good with only minor areas for improvement. This was a superb reflection of the quality of the education at George Heriot's School and placed it as the leading all-through (4-18) School in Scotland. The significance of this event should not be underestimated given the potential impact upon the School, both in terms of its educational reputation and in terms of its long term financial outlook.

Completion of the George Heriot's School Strategic Plan 2025-35 is scheduled for Session 2024-25 with strategic goals and initiatives completed by Term 1 and the production of more detailed planning and stakeholder refinement completed by the end of the 2nd Term. The publication of the School Strategy will detail the key educational and business priorities over the next 10 years with the strategy being reviewed regularly to confirm it remains appropriate and relevant, and to maintain George Heriot's as a leading educational establishment in Scotland and across the UK.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Strategic Development

The key significant developments through the course of Session 2023-24 were:

a) The completion and implementation of the School's Education Philosophy and School's Values.

The creation and completion of the Education Philosophy involved staff engagement, discussion, and a collation of views, synthesised by the Heads of School and Principal to reflect the School's educational ethos. The Educational Philosophy will underpin the future School strategy and provides the high-level principles on which our curriculum is formed.

To complete and embed the School Values, a series of promotional aides that included a booklet and a video posted on the school website and social media, detailed the content of the refreshed values. Senior Leaders, Teachers and pupils used a programme of assemblies to highlight the meaning and applicable contexts of each value.

b) The School Enquiry Groups

The second component in the development of the School's strategic plan was the continuation of the work conducted by the School Enquiry Groups. These groups, composed of academic and support staff, researched topics on Digital Learning, Artificial Intelligence, Skills Development and Time, to name but a few. The outcomes from the research, wider consultation and self-evaluation practices initially will be presented to the Whole School Leadership Team in the Autumn Term of Session 2024/25 and be instrumental in setting the Education objectives within the School's strategic plan. The presentation and recommendations are planned to coincide with the outcomes of the Scottish Government review of Qualifications and Skills (Hayward and Wither's Reviews). These are due to be published in the latter part of 2024. The outcome of these reviews will inform the School of any significant change to the Scottish national curriculum and the associated qualifications.

Political events

Through the course of Session 2023-2024, it became apparent that there was an increasing likelihood of the election of a Labour Government. A key manifesto pledge was the application of VAT on Independent School Fees. The School began the process of identifying the likely impact of this pledge and potential mitigations within the School's control. It was fully understood that the implementation of VAT on school fees would have a significant impact upon the ability of parents to pay fees and is a considered risk detailed in the Risk Register.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Financial Assistance with School Fees

Means tested Remissions

Fee remission is provided to Foundationers from P6 to S6 who require assistance with payment of school fees and who have lived within the EH, KY or FK postcodes for at least 5 years, or whose parents have had a significant and long-standing link with the City of Edinburgh. Foundation applicants are given priority for places in the School. At the date of this report, there are 56 pupils in receipt of full remission from fees as Foundationers. Foundationers can also receive support with associated costs of schooling such as books, travel, uniforms, music lessons and curricular trips.

The Trust currently supports a further 49 pupils from P6 to S6 through means tested bursaries providing remission for all or a proportion of their school fees, including 13 pupils who receive 100% remission. Included within the 100% remissions are one Syrian refugee pupil who has been awarded the Dulkanovic Bursary, named after a refugee pupil granted a place at Heriot's during the First World War, one Syrian refugee who has been awarded the Richard Marian Ogorkiewicz Bursary, funded by a legacy left by a former pupil, and one Ukrainian refugee supported by the School's own bursary funds.

Means-tested remissions are available to new applicants for entry to the School and to existing pupils whose family circumstances have changed. Bursaries are awarded annually, and updated assessments are carried out for each annual application.

A detailed independent assessment of financial circumstances is undertaken by external consultants, Azets, Accountants and Auditors, for both Foundation and Bursarial applicants; analysis is then shared with the School, the Finance Director and Principal for review. This information is then given to the Bursaries, Foundation and Scholarships Committee of the Board of Governors; it is this body that decides on fair and equitable distribution of available funds.

The following table sets out the number of means-tested awards provided by the Trust in a range of value bands over the last 2 years: -

	2022-23		2023-24	
0-24%	0	0%	0	0%
25-49%	16	14%	13	12%
50-74%	11	10%	13	12%
75-99%	12	10%	10	10%
100% ¹	74	66%	69	66%
Total	113	100%	105	100%

¹ includes Foundationer award.

The School offered a total of 105 bursaries and Foundationer awards for the 2023-24 Session. The School's focus remains on increasing accessibility to the School on widening the availability and impact of support given.

The School holds a small reserve of Bursary funds to support existing parents whose circumstances change materially during the year, for example through illness or loss of employment.

In total, £1,438,245 was provided in support of the Foundation and Bursary schemes in 2023-24.

Non means tested remissions

Fee remission is also provided to children of staff members (based on their employment), fourth and subsequent members of current pupil families (although those with children in the School before 2019-20 remain entitled to a third child discount) and through a small number of competitive entrance scholarship and expressive arts awards. 13 of these awards carry remission of 25-50% of the fee with the remaining 11 providing a 10% fee remission. The total amount of scholarships, bursaries, remissions and discounts in the period was £2,435,978.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Operational Performance of the School

During the year, George Heriot's School was led by its Principal, Gareth Warren, Acting Head of Finance, Jill Hall (retired 31 December 2023), Kirstie Macdonald, Director of Governance Risk and Compliance (appointed 4 September 2023) and Lynda Fyffe, Director of Finance (appointed 22 January 2024). They were supported by the Head of the Junior School, Alastair Morrison and the Head of the Senior School, Paul Fairclough.

The number of pupils in the School at the start of Session 2023-24 was 1664 as follows:

Nursery	32
Junior School	586
Senior School	1046

Annual School Fees for 2023-24 were increased by 10.5%.

Nursery	£10,962
Junior School (P1 and P2)	£10,962
Junior School (P3 – P7)	£13,309
Senior School	£16,440

The School was once again full for the 2023-24 Session, maintaining waiting lists at key entry points. Pupil numbers for Session 2024-25 remain good and notes of interest and applications for the coming 2025-26 Session continue to be positive. The School is monitoring and tracking interest and applications.

As noted above, in the 2023-24 Session the Trust was able to continue the provision of the Foundation and means-tested Bursaries enabling 105 pupils to attend Heriot's whose families could not otherwise have afforded school fees. The Trust seeks to ensure that awards enable children whose families could not otherwise contemplate education in the independent sector, to come to the School and that the awards reflect the families' abilities to pay.

Resources

Estates

A programme of refurbishment and maintenance work was devised against an uplifted budget from the previous year. Works included the continued Old Building re-wiring project and necessary refurbishment of the roof of Lauriston Building.

A number of additional estates improvements were also completed;

- Phase 1 of plans for an outdoor Nursery including double doors to the South end
- Repair of water ingress to the chimney haunchings of the Old Building North elevation
- Phase 1 of the refurbishment of the Physics Department including window and skylight repair as well as an uplift to the staff and technician's rooms
- Conversion of the former girls' toilets to two Support for Learning classrooms in Castle Building
- Conversion of a classroom to accommodate Junior School STEM into Building 2
- Refurbishment of the upper floor of Building 3 to accommodate the Classics Department
- Replacement of floodlights on existing Astroturf to LED

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Information and Communication Technology

Information and Communication Technology continues to be key in terms of school improvement and expenditure, including the development and implementation of a rolling 5-year IT investment plan. This year's spend focused on the replacement of Junior and Senior School teacher laptops, which are now integral to the delivery of learning and teaching in the school. In addition, 100 new iPads were upgraded in the Junior School, older PC monitors were replaced with wide screen monitors and 4 new classrooms had Wi-Fi and televisions installed. The school has recently conducted an internal and external security audit and penetration testing on our Microsoft 365 tenancy and user accounts, network infrastructure and online platforms. The reports from the security audits will be used as a baseline for the School's Cyber Security policies and procedures for the next 24 months.

The School implemented a new MIS (Management Information System) - iSAMS - for Academic departments, HR and Admissions during the summer break ready for use from the start of August 2024. The iSAMS platform will improve the School's day-to-day administration, documentation, monitoring, tracking and reporting for all pupils and provides staff with a user-friendly and secure, web-based system, accessible on and offsite. Throughout the coming Session, a trial of the iSAMS Wellbeing module will be launched in the Senior School for S1 and the School is looking to implement the iTeacher app for staff, subject to discussion at SMT/SSLT/JSLT.

All pupils in S1, S2 and S3 have now been equipped with fully managed inkable touch screen laptops to enhance the Digital elements of learning and teaching provision in the Senior School.

The School has focused on improving My School Portal, SchoolPost, SOCS Sports and SOCS co-curricular, and the School Cloud Parent Evening booking systems, to ensure effective communication with parents.

Community and Fundraising

Post Covid, Heriot's continues to regenerate the well-regarded S6 Voluntary Service Programme that has long-established links with a number of external partners and providers, such as the Circle Project.

A parallel VLA (Volunteer Language Ambassador) programme sees pupils acting as advocates for modern languages, with Senior School pupils going into local state primary schools to act as Language Assistants in support of young learners.

Heriot's has sent pupils and teachers involved in the MVP (Mentors in Violence Prevention) and Rights Respecting Schools groups out to share best-practice with pupils and practitioners at other schools who are starting along the same path.

Heriot's has supported the Principal Teacher of Digital Learning in delivering professional programmes to support colleagues in the state sector, such as specialist training on how to make use of iPads in educational settings.

The School's central Edinburgh location has facilitated the hosting of subject-specific conferences, inviting pupils and teachers from neighbouring schools to join Heriot's on-site for bespoke learning opportunities - for example, in Careers (Oxbridge entry), Politics, and Psychology. The School also ran a successful Bereavement Conference in which 19 state schools participated, organised by the Head of Support for Learning.

In the 2023 Calendar Year, charitable activities across the Senior and Junior Schools raised a total of £31,177, shared between 40 separate charities. The 2023-2024 Session also saw the inaugural Senior School Charities Fair, which was held on the afternoon of Wednesday 5 June. This event involved all Senior School staff and pupils in a wide range of activities staged across the lawns and playgrounds and raised a further £3,158 for three nominated charities (CHAS, CRUSE, and CIRCLE).

In June each year, 50 pupils travel to Kenya, to spend a fortnight working with partner organisations to deliver projects in local communities where Heriot's has established relationships. As part of this long-running initiative, pupils engage in fundraising to pay for the various construction projects and other works that they undertake whilst in Kenya. In June 2024, this investment in rural Kenyan communities raised in excess of £28,000 (in addition to the £31,177 detailed above for UK-based causes).

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

The start of the 2023-2024 Session formally marked the end of Heriot's three-year participation in an Erasmus+ Project on Sustainability Education, where teachers and pupils from Heriot's worked alongside schools and non-departmental bodies from France, Italy, and Denmark. At the same time, the School started building links with another international programme – Schools Beyond Borders and Frontiers – an Italian-based organisation which helps to fund opportunities for pupils from a number of different countries to come together and attend conferences aimed at developing mutual understanding. This partnership saw a number of pupils attending an online seminar series in Term 2, before traveling to Trento, in May, to contribute to a plenary session on sustainability in food.

2023-24 fundraising saw three main fundraising campaigns ran by the Development Office: the Bob Neill Tribute campaign (to raise funds for a new rowing quad and blades and a rowing hardship fund) which raised £60,279.33; the annual ASK to raise funds for Foundation400, which raised £20,294.30 and the *We are All George Heriot* campaign, to raise money for a new 6-year bursary at the school, which by 31 July 2024 had raised £84,127.

The latter encompassed 20 separate fundraising events which including; a 24-hour run around the school, a public lecture, a 400-mile cycle ride, a marathon, a climb of Ben Nevis, a bespoke drama production and heritage tours of the School. The campaign brought in 271 new donors to support six year bursaries at the School.

The focus on former pupil engagement has gathered momentum with regular coffee mornings, an After Many Years Reunion, visits into school by former pupils and mentoring. The informal London Herioters are meeting regularly and hope to resurrect the St Martins Day Service after June Day in 2025; the US Herioters database of 129 is growing and the main engagement platform, *Herioter Hub*, saw membership grow to over 2,000. The annual former pupil magazine *Quadrangle* was published in September 2023 and was well received.

Commercial Activities

The Heriot's Centre for Sport and Exercise Limited ('HCSE') continues to offer sports and leisure facilities to the School during school hours and the general public outside these periods. Whilst the school continued to pay for the use of the facilities, HCSE's external lettings have continued to grow.

The income through Heriot's Enterprises Limited (HE) continued to grow over this period through lettings, with the current AstroTurf hired out to capacity and with Cricket Scotland continuing to be another big contributor to Goldenacre income. At Lauriston Place, income was gained through weddings, Girl Guide gatherings and other lets are growing at an increased pace balanced against both the School's education requirements and the necessary ongoing repair and improvement plans.

Volunteers

The parental body continues to engage with the School through a number of different means; the Parents' Association (GHSPA), the Thrift Shop and the Junior and Senior School Liaison Groups. The primary objective of the George Heriot's School Parents' Association (GHSPA) is to support the school through arranging social events for families (the Heriot's Ball is one example), supporting School events, and organising fundraising activities. Separate to the GHSPA, the Thrift Shop continues to provide an excellent service for families by selling second-hand uniform, with subsequent earnings donated to the School to support educational activities and objectives. Finally, the Liaison Groups provide the mechanism for parents to express their views as to the running of the School with the Governing Body and Executive and provide a forum to discuss future School developments.

Former pupils help with Oxbridge interview preparation; the School has a burgeoning network of over 60 career mentors, some of whom will be helping the school with their inspirational speakers programme at Careers Week 2025, in sectors covering film, audit, English law, life coaching, financial markets and expressive arts. Former pupils regularly volunteer to come back and speak to pupils about career journeys and their work.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Financial

Year on year, the School seeks to generate a small trading surplus, to maintain its reserves at the level of three months operating costs and to provide additional funds to be invested in larger strategic projects on a periodic basis, to ensure Heriot's continues to improve its education provision through enhancements to the estate. During the year, the school generated a total net surplus of £2,528,292, with the main contributory factors being donation income of £1,109,550, and gains on the investment portfolio of £929,380. This surplus is not freely available to the School in its entirety, with £1,697,639 being restricted or endowed for the Trust's charitable purposes. The remaining unrestricted surplus is £830,653 which, after adjusting for unrestricted donations of £188,306, unrestricted investment income of £235,715 and unrestricted gain on investments of £238,461 leaves an unrestricted surplus from trading activities of just £168,171, less than 1% of the trading income for the Trust.

Gross fee income of £25,021,585 (2023 £22,793,947) was £2,227,638 (2023 £1,495,570) ahead of the previous year, due to a 10.5% increase in annual school fees (2023 6.5%) and strong demand for places. The value of means-tested remissions increased by 1% to £1,438,245, representing 5.7% of gross fees. Total remissions increased by 4.9% to £2,435,978, equating to 9.7% of gross fees, resulting in net fees of £22,585,607 10.3% above the previous year.

Other income and investment income increased significantly by 8.4% and 20.2% respectively.

Other income includes income received from Catering, Wrap Around Care, Pipe Band subscriptions and HCSE external letting. Visiting Music Teachers (VMT) have been engaged as workers by the School since September 2021 and the income from music lessons and subsequent payments made to VMTs are cost neutral.

Donation income increased by 288% to £1,109,550, of which £921,244 was allocated to restricted and endowment funds.

Overall, this resulted in the Group's total income increasing 13.8% from £22,728,982 to £25,874,642.

Total expenditure increased by 12.3%. Salary costs increased by 13.1% due to the salary pay awards for teaching staff and a backdated pay award for support staff. Premises costs also increased in the year by 10.1%.

There was a cash balance of £15,200,872 (2023 £6,928,462) at the balance sheet date. This increase was largely due to a higher than usual number of parents choosing to pay their fees for Session 2024-25 prior to the year-end date. There is a corresponding increase in fees in advance (note 17). Unrestricted net current assets have increased slightly on the prior year at £4,121,127 (2023 £3,524,358).

Principal Funding Sources

The principal recurring funding sources of the Trust are School fees and other School income. The School also receives donation income.

Investments

Powers of Investment

The investment powers of the Governors are defined by the Trust Scheme, which permits the purchase and realisation of any heritable property for the Trust Purposes and give the Trustees the power to exercise all the powers of investment and others conferred upon trustees under the laws of Scotland and to employ professional advisers and investment managers.

Investment, Objective and Risk Appetite

The Trust's objectives for its investments are to generate both long-term income and capital growth as a protection against inflation. The Governors have agreed that a medium level of risk will apply to all the funds in the Trust portfolio, with the exception of funds likely to be required within a short term, where the objective is income bias with a low degree of risk.

The Governors keep under review the investment risks and rewards in the current state of the market and having taken professional advice on the matter, all available retained funds held for the medium and long term are put

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

into the Discretionary portfolio with a view to achieving an annual target which exceeds the current rate of inflation. Cash not required for day to day operations is placed on deposit for appropriate periods and/or invested appropriately to enable short term access, as advised by the investment managers. The Governors confirm that all the Funds under their management have assets available to meet all current obligations.

Risk

Investment Parameters are agreed with the Investment Manager appointed after a competitive tender process during the previous financial year, Brewin Dolphin, which supports the investment objectives and risk profile set by the Governors. These parameters are reviewed annually. There was no change to the parameters in the year.

Performance Management and Review

Criteria for performance management, comparative statistics and quarterly reporting have been agreed with the Investment Manager and are reviewed by the Finance & Resources Committee bi-annually. Comprehensive reports are prepared for the quarters ended March, June, September, and December.

Management Fees

The fees for investment management have been discussed and approved by the Governors' Investment Sub-Committee and are included in the Discretionary Investment Management Parameters.

Investment Performance

The Trust's main portfolio and the B fund portfolio generated returns of 2.25% and 2.65% respectively over the 12-month period against market value. The overall portfolio market value generated a surplus of £929,380.

Reserves

The Governors' policy is to meet ongoing expenditure from school fees on an annual basis. Designated Reserves are created for specific projects, and it is expected that these funds (except for the JF Brown Fund which is designated to support future enhancement of the School) will be expended in the next 3-5 years. Total funds are £70,666,635, comprising unrestricted funds of £59,630,648 (of which £3,428,408 is designated) and restricted and endowed funds of £11,035,987. Group free reserves, being unrestricted funds not tied up in fixed assets or loans due in more than one year, totaled £5,937,452 (2023 £5,513,414).

Announcements in the Chancellor's Autumn budget in October 2024 have put pressure on the independent schools sector with the removal of the exemption of VAT on independent school fees from January 2025 and increased national insurance costs from April 2025. The Governors recognise that the Trust needs to support all our families and give parents certainty going forward. Thus, the Board has decided to maintain fees at their current level for the next three years; Sessions 2025-26, 2026-27 and 2027-28. It is hoped that this three-year fee freeze will provide parents with the cost stability they seek and allow families to plan their finances. From August 2028, it is expected that fees will increase annually, in line with inflation. This strategy is naturally dependent on the school roll remaining stable, and there being no further significant external factors impacting our business model.

The current year's budget for Session 2024/25 is based on pupil numbers being in line with prior years, and at the date of this report, pupil numbers remain strong. The Senior Management Team constantly assesses the appropriateness of these assumptions, through the monitoring of existing pupil numbers, demand for places at Heriot's and the general demand for independent school places within its catchment area. Changing economic and political factors could impact these assumptions. The School is not exposed to exchange rate risks, but salary and other costs inflation will have an inevitable impact on School fees if budgeted surpluses and cash flow, and therefore future investment in the School, are not to be adversely affected.

Reforecasting and sensitivities work continues on a regular basis as the fiscal events affect the sector and the wider economy. Based on our current forecasts, committed revenue and capital expenditure, current unrestricted cash reserves are sufficient to support the School should those sensitivities occur. The Governors are required to ensure that all funds, endowed or restricted, maintain a positive balance.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Structure, Governance And Management

Governing Document

George Heriot's Trust is a charity, registered in the Scottish Charity Register number SC011463, and administered under the George Heriot's Trust Scheme 2017 (amended June 2024). The Trust owns and operates George Heriot's School.

Governing Body

The constitution of George Heriot's Trust comprises the Scheme and the Regulations (including Fund Regulations) which lay out matters of administration and Governance for the Trust including management of legated Funds and finances. They contain appropriate objectives and powers for the Trust, blending the history of the Trust with current law and modern governance best practice. The Governing Body may, from time to time in accordance with its own processes and applicable legal requirements, amend the Regulations.

Governor candidates for a vacancy will be sourced and proposed to the Board by a Nominations Committee based on criteria set by the Board for the position.

The methodology of appointing new Governors is designed to ensure that the Board of Governors always has an appropriate blend of knowledge, skills, and experience.

New Governors are introduced to the workings of the School, policies, procedures, safeguarding, and good governance practices, through a formal induction process which includes "welcome" meetings with the Chair and Convenors of Board Committees, the Principal and senior members of the Management Team. New and existing Governors are encouraged to attend training seminars organised by SCIS, AGBIS, OSCR and other bodies.

Following advertisement and an open competitive recruitment process, on the recommendation of the Board's Nominations Committee, new Governor, Mary Bovill, joined the Board on 27th March 2024 as named Governor for Safeguarding.

No Governor received any remuneration or reimbursement of expenses during the financial year. Details of related party transactions with Governors are set out in Note 26.

Subsidiaries

The Trust has two wholly owned subsidiary companies - Heriot Enterprises Limited which conducts letting of the School premises and the sale of merchandise, and The Heriot's Centre for Sport and Exercise Limited which operates the Heriot's Centre for Sport and Exercise under a non-exclusive license from the Trust. Whilst each Company has its own Board of Directors comprising a mix of Governors, Senior Management and external Directors, its operations and financial performance were overseen by the Board of Governors.

Heriot's Centre for Sport and Exercise Limited was registered as a charity with OSCR on 22 May 2014. Its charitable number is SC044874. Its charitable purposes are the advancement of education, the advancement of health, the advancement of public participation in sport, the provision of recreational facilities, and the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.

The financial results of these companies (which are not significant in relation to the overall financial results of the Trust) are consolidated into these financial statements.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Organisational Management

The Governors meet as a Board at least four times a year to oversee strategic direction, provide support and challenge, and seek assurance on the leadership and day to day management of the school. The Governing Body grants authority for detailed scrutiny to various Board Committees and sub-committees.

The Committee structure is currently under review to ensure good governance, as part of the review of the Scheme Regulations and the review of School strategy. The key Committees during the 2023-24 Session were:

- Finance & Resources (incl. Remuneration, Investment, and Estates)
- Education (incl. Child Protection)
- Governor Safeguarding Committee (Session 2024/25)
- Bursaries, Foundation, and Scholarships
- People
- Charity, Philanthropy and Heritage
- Junior and Senior School Liaison Groups
- Complaints (convened when required)
- Nominations (convened when required)

One Governor is designated as Named Governor for Safeguarding, having specific responsibility for Safeguarding and Child Protection.

Management of the School is delegated under the Trust Regulations to the Principal, who is supported from an educational perspective by the Senior School and Junior School Leadership Teams. Infrastructure and business management is overseen by The School's Senior Management Team (comprising the Principal, Heads of Senior and Junior School, Deputy Head of Junior School, one Depute from the Senior School, Director of External Relations, Director of IT, Director of Estates, Director of HR, Director of Finance and Director of Governance Risk and Compliance).

During the reporting period 2023-2024 the School was pleased to appoint Lynda Fyffe as Director of Finance and Kirstie Macdonald as Director of Governance, Risk and Compliance.

Remuneration Policy

The Governors' Remuneration Committee (which is a sub-committee of the Finance and Resources Committee) sets and conducts periodic performance reviews and annual reviews of remuneration for the Principal. This is carried out with reference to independent school sector benchmarking.

Risk Management

The Board of Governors provides overall leadership and supervision of the Trust within a framework of prudent and effective controls which enables risk to be assessed and managed. The Governors are responsible for risk oversight and the School's Senior Management Team maintains a system of internal monitoring controls to safeguard the continuance of the Trust and its property. Key strategic and operational risks are recorded in a Whole School Risk Register which includes warning indicators that serve to highlight change in risk likelihood or impact. Each defined risk is reviewed by a member of the Senior Management Team and the School has a dedicated Health and Safety Group tasked with assessing specific risks relating to Health and Safety Legislation and reports to the Board's Finance and Resources Committee.

A separate register of risks is maintained for the Heriot's Centre for Sports and Exercise, a wholly owned subsidiary of the Trust. This is overseen by the HCSE Board.

The Governors are satisfied that risks are identified and reviewed, and that suitable controls and mitigation measures are in place.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Reference And Administration Information

Subsequent Events

As of 14 November 2024, Nicola McLaughlan resigned as a Governor.

Governors

The Governors, who are also the Charity Trustees, who served as at the date of this report and/or during the year, are:

Name Committee

Mrs Joyce Cullen - Chair		All Committees
Prof. Mark Strachan - Vice Chair		All Committees
Mrs Kate Cherry		Bursaries, Foundation & Scholarships (Convenor); Education
Mr Ian Herok	Resigned 18 December 2023	People (Convenor up to 18 December 2023); Finance and Resources
Mr Vineet Lal		Junior School Liaison Group (Convenor); Charity, Philanthropy and Heritage; Education
Mr Andrew McGeough		Finance and Resources (Convenor)
Dr Pauline Sangster		Education (Convenor); Bursaries, Foundation & Scholarships
Mr Cameron Stott	Resigned 26 September 2023	Finance and Resources
Mr Alan Urquhart	Resigned 14 November 2023	Education; Governor with responsibility for Safeguarding
Mr Ross McAuley		Senior School Liaison Group (Convenor); Finance and Resources
Mrs Nicola McLaughlan	Resigned 14 November 2024	Charity, Philanthropy and Heritage (Convenor)
Mr Paolo Alonzi		Finance and Resources
Mrs Louise Gibson	Joined 31 October 2023	People (Convenor following Mr Herok), Finance and Resources
Mr Alasdair Humphery	Joined 31 October 2023	Finance and Resources, Estates Sub-Committee (Joint Convenor with Mr Sherriff)
Mr Bryan Sherriff	Joined 31 October 2023	Finance and Resources, Estates Sub-Committee (Joint Convenor with Mr Humphery)
Dr Mary Bovill	Joined 27 March 2024	Named Governor for Safeguarding (Convenor), Education

Note: Unless otherwise stated, Governors held office for the whole of the financial year.

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Key Management Personnel

Gareth Warren	Principal
Lynda Fyffe	Director of Finance (appointed 22 January 2024)
Jill Hall	Acting Head of Finance (appointed 1 March 2023, retired 31 December 2023)
Kirstie Macdonald	Director of Governance, Risk and Compliance (appointed 4 September 2023)
Paul Fairclough	Head of Senior School
Alastair Morrison	Head of Junior School

Key Trust Details

Principal Office:	Lauriston Place Edinburgh EH3 9HE
Bankers:	Bank of Scotland, New Ueberior House, Earl Grey Street, Edinburgh, EH3 9BN The Royal Bank of Scotland, 42 St Andrew Square, Edinburgh, EH2 2AD
Auditors:	Azets Audit Services, Quay 2, 139 Fountainbridge, Edinburgh EH3 9QG
Legal Agents [Solicitors]:	Morton Fraser, Quartermile Two, 2 Lister Square, Edinburgh EH3 9GL
Investment Managers:	RBC Brewin Dolphin, 144 Morrison Street, Edinburgh, EH3 8BR
Insurers:	Marsh Education Practice, 4 Milton Road, Haywards Heath, West Sussex, RH16 1AH
Charity number:	SC011463

GEORGE HERIOT'S TRUST
Governors' Report
for the year ended 31 July 2024

Governors' Responsibilities For The Financial Statements

The Governors are required by charity law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and Trust as at the Balance Sheet date and of its incoming resources and applications of resources, including income and expenditure, for the financial year. In preparing the financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the School will continue in business.

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

Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for re-appointment at the Board Meeting.

Approved by the Governors at their meeting of 18 December 2024 and signed on their behalf by



Joyce Cullen
Chair of Governors

GEORGE HERIOT'S TRUST
Independent Auditor's Report to the Governors of George Heriot's Trust
for the year ended 31 July 2024

Opinion

We have audited the financial statements of George Heriot's Trust (the parent charity) and its subsidiaries (the group) for the year ended 31 July 2024 which comprise the Consolidated and Parent Charity Statement of Financial Activities; the Consolidated and Parent Charity Balance Sheet; the Consolidated and Parent Charity Statement of Cash Flows; and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2024 and of the group's and parent charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent 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 Governors with respect to going concern are described in the relevant sections of this report.

GEORGE HERIOT'S TRUST
Independent Auditor's Report to the Governors of George Heriot's Trust
for the year ended 31 July 2024

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Governors' Report; or
- proper accounting records have not been kept; 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 Governors

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

In preparing the financial statements, the Governors are responsible for assessing the group's and the parent 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 Governors either intend to liquidate the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

GEORGE HERIOT'S TRUST
Independent Auditor's Report to the Governors of George Heriot's Trust
for the year ended 31 July 2024

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charity through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charity, including taxation, data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the group's legal advisors.

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

GEORGE HERIOT'S TRUST
Independent Auditor's Report to the Governors of George Heriot's Trust
for the year ended 31 July 2024

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

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the parent charity's Governors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charity's Governors, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services
Statutory Auditor
Chartered Accountants
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date: *20 December 2024*

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

GEORGE HERIOT'S TRUST
Consolidated Statement of Financial Activities
for the year ended 31 July 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and legacies	5	188,306	179,874	741,370	1,109,550	285,981
Income from charitable activities:						
School fees	6	22,585,607	-	-	22,585,607	20,472,517
Other income	7	1,738,413	-	-	1,738,413	1,603,600
Investment income	8	235,715	205,357	-	441,072	366,884
Total		<u>24,748,041</u>	<u>385,231</u>	<u>741,370</u>	<u>25,874,642</u>	<u>22,728,982</u>
Expenditure on:						
Raising funds	9	281,206	-	-	281,206	186,499
Charitable activities	10	23,874,643	119,881	-	23,994,524	21,426,181
Total		<u>24,155,849</u>	<u>119,881</u>	<u>-</u>	<u>24,275,730</u>	<u>21,612,680</u>
Net gain/(loss) on investments		<u>238,461</u>	<u>38,141</u>	<u>652,778</u>	<u>929,380</u>	<u>(461,637)</u>
Net income and movement in funds		<u>830,653</u>	<u>303,491</u>	<u>1,394,148</u>	<u>2,528,292</u>	<u>654,665</u>
Total funds brought forward	21	<u>58,799,995</u>	<u>1,219,788</u>	<u>8,118,560</u>	<u>68,138,343</u>	<u>67,483,678</u>
Total funds carried forward	21	<u><u>59,630,648</u></u>	<u><u>1,523,279</u></u>	<u><u>9,512,708</u></u>	<u><u>70,666,635</u></u>	<u><u>68,138,343</u></u>

All activities relate to continuing operations.

The group has no recognised gains or losses other than as set out above.

GEORGE HERIOT'S TRUST
Trust Statement of Financial Activities
for the year ended 31 July 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and legacies	5	213,563	179,874	741,370	1,134,807	287,003
Income from charitable activities:						
School fees	6	22,585,607	-	-	22,585,607	20,472,517
Other income	7	1,689,014	-	-	1,689,014	1,558,635
Investment income	8	236,315	205,357	-	441,672	367,484
Total		24,724,499	385,231	741,370	25,851,100	22,685,639
Expenditure on:						
Raising funds	9	281,206	-	-	281,206	186,499
Charitable activities	10	23,828,502	119,881	-	23,948,383	21,403,922
Total		24,109,708	119,881	-	24,229,589	21,590,421
Net gain/(loss) on investments		238,461	38,141	652,778	929,380	(461,637)
Net income and movement in funds		853,252	303,491	1,394,148	2,550,891	633,581
Total funds brought forward	21	58,721,231	1,219,788	8,118,560	68,059,579	67,425,998
Total funds carried forward	21	59,574,483	1,523,279	9,512,708	70,610,470	68,059,579

All activities relate to continuing operations.

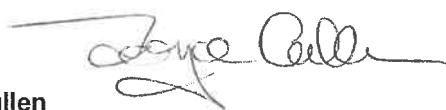
The Trust has no recognised gains or losses other than the results for the period as set out above.

GEORGE HERIOT'S TRUST
Consolidated and Trust Balance Sheet
as at 31 July 2024

		Group		Trust	
	Notes	2024 £	2023 £	2024 £	2023 £
Fixed assets					
Tangible assets	13	60,717,636	60,758,886	60,717,636	60,758,886
Investments	14	12,090,054	10,811,324	12,090,054	10,811,324
		<u>72,807,690</u>	<u>71,570,210</u>	<u>72,807,690</u>	<u>71,570,210</u>
Current assets					
Stock		50,853	54,333	32,139	42,716
Debtors	15	303,439	477,736	347,048	496,776
Cash at bank and in hand		15,200,872	6,928,462	15,127,174	6,827,324
		<u>15,555,164</u>	<u>7,460,531</u>	<u>15,506,361</u>	<u>7,366,816</u>
Creditors: Amounts falling due within one year	17	(10,671,779)	(3,420,093)	(10,679,141)	(3,405,142)
Net current assets		<u>4,883,385</u>	<u>4,040,438</u>	<u>4,827,220</u>	<u>3,961,674</u>
Total assets less current liabilities		77,691,075	75,610,648	77,634,910	75,531,884
Creditors: Amounts falling due after more than one year	18	(7,024,440)	(7,472,305)	(7,024,440)	(7,472,305)
Net assets	20	<u>70,666,635</u>	<u>68,138,343</u>	<u>70,610,470</u>	<u>68,059,579</u>
The funds of the Group/Trust:					
Endowment funds		9,512,708	8,118,560	9,512,708	8,118,560
Restricted funds		1,523,279	1,219,788	1,523,279	1,219,788
Unrestricted funds					
General funds		56,202,240	55,570,787	56,146,075	55,492,023
Designated funds		3,428,408	3,229,208	3,428,408	3,229,208
Total funds	21	<u>70,666,635</u>	<u>68,138,343</u>	<u>70,610,470</u>	<u>68,059,579</u>

The financial statements were approved and authorised for issue on 18 December 2024 and signed on behalf of the Governors by:

Joyce Cullen
Chair of the Governors



The notes on pages 23 to 52 form part of these financial statements.

GEORGE HERIOT'S TRUST
Consolidated and Trust Statement of Cash Flows
for the year ended 31 July 2024

		Group		Trust	
	Note	2024 £	2023 £	2024 £	2023 £
Net cash provided by operating activities	22	8,694,474	1,006,012	8,721,314	1,036,785
Cash flows from investing activities:					
Dividends and interest from investments		441,072	366,884	441,672	367,484
Purchase of tangible assets		(372,325)	(339,794)	(372,325)	(339,794)
Purchase of investments		(6,034,031)	(2,503,173)	(6,034,031)	(2,503,173)
Proceeds from sale of investments		5,474,683	2,765,913	5,474,683	2,765,913
Finance costs paid		(299,987)	(314,474)	(299,987)	(314,474)
Net cash used in investing activities		(790,588)	(24,644)	(789,988)	(24,044)
Cash flows from financing activities:					
Repayment of finance leases		(183,679)	(266,209)	(183,679)	(266,209)
Repayments of loans		(2,219,165)	(451,305)	(2,219,165)	(451,305)
Bank loan taken out in the year		1,820,000	-	1,820,000	-
Receipt of endowment donations		741,370	209,355	741,370	209,355
Net cash provided by/(used in) financing activities		158,526	(508,159)	158,526	(508,159)
Change in cash and cash equivalents in the reporting period		8,062,412	473,209	8,089,852	504,582
Cash and cash equivalents at the beginning of the reporting period		7,248,614	6,775,405	7,147,476	6,642,894
Cash and cash equivalents at the end of the reporting period	23, 24	15,311,026	7,248,614	15,237,328	7,147,476

The notes on pages 23 to 52 form part of these financial statements.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. They comprise the financial statements of George Heriot's Trust and its subsidiary undertakings Heriot Enterprises Limited and The Heriot's Centre for Sport and Exercise Limited.

The objectives of George Heriot's Trust are detailed in the Governors' Report on page 1.

The principal activity of Heriot Enterprises Limited is the promotion of the interests and welfare of George Heriot's Trust through the sale of goods and services.

The principal activity of The Heriot's Centre for Sport and Exercise Limited is to advance health, education and public participation in sport generally as well as the provision of recreational facilities or the organisation of recreational activities.

George Heriot's Trust is an unincorporated charity, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC011463. Details of the principal address can be found on page 13 of these financial statements.

2. Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) '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).

George Heriot's Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Governors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the group's financial statements unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporate the results of the George Heriot's Trust and its subsidiary undertakings, Heriot Enterprises Limited and The Heriot's Centre for Sport and Exercise Limited on a line by line basis.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

2. Principal accounting policies (continued)

Going concern

Having given consideration to the net assets position, cash flow and budgets for the forthcoming period, the Governors are of the opinion that the group and parent charity can continue to meet its obligations as they fall due for the foreseeable future. As a consequence, the Governors have prepared the financial statements under the going concern assumption.

Recognition and allocation of income

Income is recognised when the group has legal entitlement to the funds, the receipt is probable, and the amount can be measured reliably. Where practicable, income is related to the operating activity of the group.

Where there are performance conditions attached to any donations, income is recognised when the conditions have been met or when meeting the conditions are within the group's control and there is sufficient evidence that they have been or will be met.

Income from school fees and other charitable activities is recognised in line with the performance of the service. Income received in advance of the school year is deferred to the relevant period.

Investment income is recognised upon receipt.

Income received by the group in an agency role, together with the related expenditure, is excluded from the financial statements in accordance with the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities.

Recognition and allocation of expenditure

Expenditure is recognised on an accruals basis as a legal or constructive liability is incurred. Where VAT cannot be recovered it is reported as part of the expenditure to which it relates. All expenditure is classified directly to the operating activity of the group.

- Expenditure on raising funds comprises those costs which are associated with the generation of income from sources other than the charitable activity.
- Expenditure on the charitable activity comprises those costs incurred in running the School and includes both the direct costs and the support costs relating to this activity.
- Governance costs, which are included within expenditure on charitable activities, include those costs associated with meeting the constitutional and statutory requirements of the group and include professional fees and costs linked to the strategic management of the group.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

2. Principal accounting policies (continued)

Funds

Unrestricted funds are school fees and other incoming resources generated for the objects of the group without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the Board of Governors for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowment funds are resources received by the Trust held as capital where income generated is expended on purposes which meet the criteria of the fund.

Hire purchase contracts and leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant period rate of charge on the net obligation outstanding each period.

Operating leases

Operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Tangible fixed assets

Items of equipment are capitalised and written off over their expected useful lives. Equipment costing under £1,000 is not capitalised and is written off to revenue when the expenditure is incurred. All fixed assets are initially recorded at cost.

Gifts or bequests of pictures and trophies are not included in the financial statements unless a fair value can be measured or estimated reliably.

Depreciation

Tangible fixed assets are initially measured at cost, and are subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

- Land is not depreciated, in line with accounting practice
- Furniture & equipment 3 to 10 years
- Motor vehicles 5 years

Buildings are reviewed annually for impairment, and the Governors consider that their useful economic lives and residual values are such that any depreciation would not be material.

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

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

2. Principal accounting policies (continued)

Investments

Investments in securities are measured initially at cost and subsequently at fair value at each reporting date. Fair value is taken as the mid-market value of the investment by the investment manager at the reporting date. Realised and unrealised gains and losses are recognised in the Statement of Financial Activities in the year in which they arise.

In the Trust financial statements, the investment in the subsidiary undertaking is held at cost less impairment.

Debtors

Fee debtors are amounts due for pupils attending the school in respect of their tuition fees. Fee debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

Prepayments are valued at the amount prepaid at the year-end date. Other debtors are recognised when the income recognition criteria have been met but monies have not been received at the year-end.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks which are readily convertible into cash.

Creditors

Creditors are recognised where the group 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.

Trade creditors are obligations to pay for goods or services that have been acquired. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Pension costs

The Trust contributes to the Scottish Teachers' Superannuation Pension Scheme ("The Scheme") at rates set by the Scheme Actuary and advised to the Board of Governors by the Scheme Administrator. The Scheme is a multi-employer defined benefit pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Trust. Therefore, in accordance with FRS 102, the scheme is accounted for as a defined contribution scheme. The Trust also contributes to a defined contribution occupational pension scheme for support staff. Contributions to both schemes are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

2. Principal accounting policies (continued)

Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when the group becomes a party to the contractual provisions of the instrument. Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 and 12 of FRS 102. The group only enters into basic financial instruments. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for a similar debt instrument.

At the end of each reporting period, basic financial instruments are measured at the amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

3. Critical judgements and estimates

In preparing the financial statements Governors make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Governors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation rates and residual values which are deemed to be appropriate for the class of asset.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

4. Comparative Statement of Financial Activities

2023 Group

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Income and endowments from:				
Donations and legacies	2,950	73,676	209,355	285,981
Income from charitable activities:				
School fees	20,472,517	-	-	20,472,517
Other income	1,603,600	-	-	1,603,600
Investment income	145,383	221,501	-	366,884
Total	22,224,450	295,177	209,355	22,728,982
Expenditure on:				
Raising funds	186,499	-	-	186,499
Charitable activities	21,147,829	278,352	-	21,426,181
Total	21,334,328	278,352	-	21,612,680
Net loss on investments	(118,497)	(18,761)	(324,379)	(461,637)
Net income/(expenditure) and movement in funds	771,625	(1,936)	(115,024)	654,665

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

4. Comparative Statement of Financial Activities (continued)

2023 Trust

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Income and endowments from:				
Donations and legacies	3,972	73,676	209,355	287,003
Income from charitable activities:				
School fees	20,472,517	-	-	20,472,517
Other income	1,558,635	-	-	1,558,635
Investment income	145,983	221,501	-	367,484
Total	<u>22,181,107</u>	<u>295,177</u>	<u>209,355</u>	<u>22,685,639</u>
Expenditure on:				
Raising funds	186,499	-	-	186,499
Charitable activities	21,125,570	278,352	-	21,403,922
	<u>21,312,069</u>	<u>278,352</u>	<u>-</u>	<u>21,590,421</u>
Total	<u>21,312,069</u>	<u>278,352</u>	<u>-</u>	<u>21,590,421</u>
Net loss on investments	(118,497)	(18,761)	(324,379)	(461,637)
Net income/(expenditure) and movement in funds	<u><u>750,541</u></u>	<u><u>(1,936)</u></u>	<u><u>(115,024)</u></u>	<u><u>633,581</u></u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

5. Donations and legacies

Group

2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
Sundry donations	188,306	179,874	741,370	1,109,550
2023	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Sundry donations	2,950	73,676	209,355	285,981

Trust

2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
Heriot Enterprises Limited	25,257	-	-	25,257
Sundry donations	188,306	179,874	741,370	1,109,550
	213,563	179,874	741,370	1,134,807
2023	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Heriot Enterprises Limited	1,022	-	-	1,022
Sundry donations	2,950	73,676	209,355	285,981
	3,972	73,676	209,355	287,003

6. School fees receivable

Group and Trust

2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
Gross school fees	25,021,585	-	-	25,021,585
Scholarships, bursaries, remissions and discounts	(2,435,978)	-	-	(2,435,978)
	22,585,607	-	-	22,585,607

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

6. School fees receivable (continued)

Group and Trust (continued)

2023	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Gross school fees	22,793,947	-	-	22,793,947
Scholarships, bursaries, remissions and discounts	(2,321,430)	-	-	(2,321,430)
	<u>20,472,517</u>	<u>-</u>	<u>-</u>	<u>20,472,517</u>

7. Other income

Group

2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
Wrap Around Care	508,740	-	-	508,740
Refectory	654,702	-	-	654,702
Acceptance fees	101,125	-	-	101,125
Pipe Band fees	115,952	-	-	115,952
Hire of facilities and equipment	111,951	-	-	111,951
Other	240,943	-	-	240,943
	<u>1,738,413</u>	<u>-</u>	<u>-</u>	<u>1,738,413</u>

2023	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Wrap Around Care	428,994	-	-	428,994
Refectory	584,553	-	-	584,553
Acceptance fees	90,435	-	-	90,435
Pipe Band fees	107,362	-	-	107,362
Hire of facilities and equipment	106,397	-	-	106,397
Other	285,859	-	-	285,859
	<u>1,603,600</u>	<u>-</u>	<u>-</u>	<u>1,603,600</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

7. Other income (continued)

Trust

2024	Unrestricted funds £	Restricted Funds £	Endowment Funds £	2024 Total £
Wrap Around Care	508,740	-	-	508,740
Refectory	654,702	-	-	654,702
Acceptance fees	101,125	-	-	101,125
Pipe Band fees	115,952	-	-	115,952
Heriot's Centre for Sport and Exercise Ltd	61,431	-	-	61,431
Other	247,064	-	-	247,064
	<u>1,689,014</u>	<u>-</u>	<u>-</u>	<u>1,689,014</u>
	<u><u>1,689,014</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,689,014</u></u>
2023	Unrestricted funds £	Restricted Funds £	Endowment Funds £	2023 Total £
Wrap Around Care	428,994	-	-	428,994
Refectory	584,553	-	-	584,553
Acceptance fees	90,435	-	-	90,435
Pipe Band fees	107,362	-	-	107,362
Heriot's Centre for Sport and Exercise Ltd	61,432	-	-	61,432
Other	285,859	-	-	285,859
	<u>1,558,635</u>	<u>-</u>	<u>-</u>	<u>1,558,635</u>
	<u><u>1,558,635</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,558,635</u></u>

8. Investment income

**Group
2024**

	Unrestricted funds £	Restricted Funds £	Endowment Funds £	2024 Total £
Bank interest	167,701	-	-	167,701
Dividends	68,014	205,357	-	273,371
	<u>235,715</u>	<u>205,357</u>	<u>-</u>	<u>441,072</u>
	<u><u>235,715</u></u>	<u><u>205,357</u></u>	<u><u>-</u></u>	<u><u>441,072</u></u>
2023	Unrestricted funds £	Restricted Funds £	Endowment Funds £	2023 Total £
Bank interest	72,538	-	-	72,538
Dividends	72,845	221,501	-	294,346
	<u>145,383</u>	<u>221,501</u>	<u>-</u>	<u>366,884</u>
	<u><u>145,383</u></u>	<u><u>221,501</u></u>	<u><u>-</u></u>	<u><u>366,884</u></u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

8. Investment income (continued)

Trust

2024	Unrestricted funds £	Restricted Funds £	Endowment Funds £	2024 Total £
Bank interest	168,301	-	-	168,301
Dividends	68,014	205,357	-	273,371
	<u>236,315</u>	<u>205,357</u>	<u>-</u>	<u>441,672</u>
2023	Unrestricted funds £	Restricted Funds £	Endowment Funds £	2023 Total £
Bank interest	73,138	-	-	73,138
Dividends	72,845	221,501	-	294,346
	<u>145,983</u>	<u>221,501</u>	<u>-</u>	<u>367,484</u>

9. Expenditure on raising funds

Group and Trust

2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
Development				
Wages and salaries (note 12)	187,410	-	-	187,410
Other	93,796	-	-	93,796
	<u>281,206</u>	<u>-</u>	<u>-</u>	<u>281,206</u>
2023	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Development				
Wages and salaries (note 12)	121,914	-	-	121,914
Other	64,585	-	-	64,585
	<u>186,499</u>	<u>-</u>	<u>-</u>	<u>186,499</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

10. Expenditure on charitable activities

Group

2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
School operating costs				
Wages and salaries (note 12)	18,186,769	-	-	18,186,769
Teaching costs	623,291	-	-	623,291
Welfare costs	403,035	-	-	403,035
Premises	2,389,825	-	-	2,389,825
Support costs for schooling	568,726	48,918	-	617,644
Depreciation (note 13)	413,575	-	-	413,575
	<u>22,585,221</u>	<u>48,918</u>	<u>-</u>	<u>22,634,139</u>
Bank loan interest	299,987	-	-	299,987
Governance costs (note 11)	989,435	70,963	-	1,060,398
	<u>23,874,643</u>	<u>119,881</u>	<u>-</u>	<u>23,994,524</u>

2023	Unrestricted Funds £	Restricted funds £	Endowment funds £	2023 Total £
School operating costs				
Wages and salaries (note 12)	16,074,237	-	-	16,074,237
Teaching costs	583,312	-	-	583,312
Welfare costs	350,923	-	-	350,923
Premises	2,170,917	-	-	2,170,917
Support costs for schooling	347,665	215,882	-	563,547
Depreciation (note 13)	452,266	-	-	452,266
	<u>19,979,320</u>	<u>215,882</u>	<u>-</u>	<u>20,195,202</u>
Bank loan interest	286,059	-	-	286,059
Governance costs (note 11)	882,450	62,470	-	944,920
	<u>21,147,829</u>	<u>278,352</u>	<u>-</u>	<u>21,426,181</u>

Trust

2024	Unrestricted Funds £	Restricted funds £	Endowment funds £	2024 Total £
School operating costs				
Wages and salaries (note 12)	18,186,769	-	-	18,186,769
Teaching costs	623,291	-	-	623,291
Welfare costs	403,035	-	-	403,035
Premises	2,343,684	-	-	2,343,684
Support costs for schooling	568,726	48,918	-	617,644
Depreciation (note 13)	413,575	-	-	413,575
	<u>22,539,080</u>	<u>48,918</u>	<u>-</u>	<u>22,587,998</u>
Bank loan interest	299,987	-	-	299,987
Governance costs (note 11)	989,435	70,963	-	1,060,398
	<u>23,828,502</u>	<u>119,881</u>	<u>-</u>	<u>23,948,383</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

10. Expenditure on charitable activities (continued)

Trust (continued)

2023	Unrestricted Funds £	Restricted funds £	Endowment funds £	2023 Total £
School operating costs				
Wages and salaries (note 12)	16,074,237	-	-	16,074,237
Teaching costs	583,312	-	-	583,312
Welfare costs	350,923	-	-	350,923
Premises	2,148,658	-	-	2,148,658
Support costs for schooling	347,665	215,882	-	563,547
Depreciation (note 13)	452,266	-	-	452,266
	<u>19,957,061</u>	<u>215,882</u>	<u>-</u>	<u>20,172,943</u>
Bank loan interest	286,059	-	-	286,059
Governance costs (note 11)	882,450	62,470	-	944,920
	<u>21,125,570</u>	<u>278,352</u>	<u>-</u>	<u>21,403,922</u>

11. Governance costs

Group and Trust

2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
Governance costs				
Wages and salaries (note 12)	635,682	-	-	635,682
Audit fees	28,350	-	-	28,350
Other fees paid to auditor	18,416	-	-	18,416
Professional fees	258,609	-	-	258,609
Support costs for schooling	-	70,963	-	70,963
Other	48,378	-	-	48,378
	<u>989,435</u>	<u>70,963</u>	<u>-</u>	<u>1,060,398</u>
2023	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Governance costs				
Wages and salaries (note 12)	641,945	-	-	641,945
Audit fees	27,000	-	-	27,000
Other fees paid to auditor	1,520	-	-	1,520
Professional fees	151,669	-	-	151,669
Support costs for schooling	-	62,470	-	62,470
Other	60,316	-	-	60,316
	<u>882,450</u>	<u>62,470</u>	<u>-</u>	<u>944,920</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

12. Staff costs

Group and Trust 2024	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total £
Wages and salaries	14,721,269	-	-	14,721,269
National insurance	1,539,881	-	-	1,539,881
Pension contributions	2,726,663	-	-	2,726,663
Agency costs	22,048	-	-	22,048
	<u>19,009,861</u>	<u>-</u>	<u>-</u>	<u>19,009,861</u>

2023	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total £
Wages and salaries	13,195,042	-	-	13,195,042
National insurance	1,373,402	-	-	1,373,402
Pension contributions	2,219,151	-	-	2,219,151
Agency costs	50,501	-	-	50,501
	<u>16,838,096</u>	<u>-</u>	<u>-</u>	<u>16,838,096</u>

The average number of employees in the year by headcount was:	2024 Number	2023 Number
Teaching	190	186
Support staff and administrative	264	242
	<u>454</u>	<u>428</u>

The earnings of the following number of employees exceeded £60,000:

	2024 Number	2023 Number
£60,000 - £69,999	28	2
£70,000 - £79,999	12	10
£80,000 - £89,999	6	2
£90,000 - £99,999	3	3
£100,000 - £109,999	2	-
£120,000 - £129,999	-	1
£160,000 - £169,999	-	1
£170,000 - £179,999	1	-

The increase in employees earning greater than £60,000 in the year 2023/24 is due to the COSLA pay award effective from August 2023.

Forty-seven (2023: Thirteen) of the above employees are accruing benefits under the Scottish Teachers' Superannuation Pension Scheme.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

12. Staff costs (continued)

Pension schemes

The Trust contributes to two pension arrangements for its employees.

- (a) The Trust participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions of progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2020. This valuation informed an increase in the employer contribution rate from 23.0% to 26.0% of pensionable pay from 1 April 2024 and an anticipated yield of 9.6% employees' contributions.
- (b) The Trust has no liability for other employers' obligations to the multi-employer scheme.
- (c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.
- (d)
 - (i) The scheme is an unfunded multi-employer defined benefit scheme.
 - (ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Trust is unable to identify its share of the underlying assets and liabilities of the scheme.
 - (iii) The employer contribution rate during the year was 23% rising to 26% from April 2024. The employee rate applied is variable and it is anticipated to provide a yield of 9.6% of pensionable pay.
 - (iv) While a valuation was carried out as at 31 March 2020, it is not possible to say what deficit or surplus may affect future contributions.
 - (v) The Trust's participation in the scheme is 0.26% based on the proportion of employer contributions paid in 2022-23.

The total employer contributions paid to the scheme during the financial year were £2,316,176 (2023: £1,837,679). As at 31 July 2024 £nil (2023: £243,382) was due to be paid to the scheme.

The Trust also contributes to a defined contribution occupational pension scheme for support staff. The total employer contributions paid to the scheme during the financial year were £410,487 (2023: £381,472). As at 31 July 2024 £47,281 (2023: £123) was due to be paid to the scheme.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

13. Tangible fixed assets

Group and Trust	Freehold land & buildings £	Furniture & equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2023	59,441,146	4,246,261	9,002	63,696,409
Additions	25,801	324,224	22,300	372,325
Disposals	-	-	-	-
At 31 July 2024	59,466,947	4,570,485	31,302	64,068,734
Depreciation				
At 1 August 2023	-	2,928,521	9,002	2,937,523
Charge for the year	-	410,230	3,345	413,575
Released on disposal	-	-	-	-
At 31 July 2024	-	3,338,751	12,347	3,351,098
Net book value at 31 July 2024	59,466,947	1,231,734	18,955	60,717,636
Net book value at 31 July 2023	59,441,146	1,317,740	-	60,758,886

Included in the above are leased assets with a cost of £681,193 (2023: £681,193) on which £313,594 (2023: £230,425) of accumulated depreciation has been charged to date. The depreciation charge for the year was £83,169 (2023: £160,269).

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

14. Investments

	Group and Trust
	£
Market value of listed investments held at 31 July 2023	10,491,172
Additions	6,034,031
Disposals	(5,299,585)
Unrealised gain	754,282
	<hr/>
Market value of listed investments held at 31 July 2024	11,979, 900
Cash held as part of investment portfolio (2023: £320,152)	110,154
	<hr/>
	<u>12,090,054</u>

Unlisted equity investment in subsidiaries

The Trust owns 100% of the 160,000 ordinary shares of £1 each in The Heriot's Centre for Sport & Exercise Limited, a charitable company registered in Scotland. The company's registration number is SC364937 (charity registration number SC044874) and the address of its registered office is George Heriot's School, Lauriston Place, Edinburgh, EH3 9EQ. Its primary purpose is to operate, under a non-exclusive licence from the Trust, The Heriot's Centre for Sport & Exercise for the provision of physical recreation.

The charitable company's turnover was £174,195 (2023: £170,664) and expenditure £194,155 (2023: £173,815), resulting in a deficit of £19,960 (2023: deficit of £3,151) for the year. The funds of The Heriot's Centre for Sport & Exercise Limited at 31 July 2024 were £33,547 (2023: £53,507). The carrying value of the investment in the subsidiary was reduced to nil in the Trust accounts in 2016.

The Trust controls Heriot Enterprises Limited a company limited by guarantee, which is registered in Scotland. The company's registration number is SC085405 and the address of its registered office is George Heriot's School, Lauriston Place, Edinburgh, EH3 9EQ. The company promotes the interests and welfare of George Heriot's Trust through the sale of goods and services. The Trust is the sole member of Heriot Enterprises Limited and the majority of board positions in the subsidiary are held by Trust Governors or employees.

The company's turnover was £49,749 (2023: £48,060) and expenditure £27,132 (2023: £22,803), resulting in a £22,617 profit for the year to 31 July 2024 (2023: profit of £25,257). In addition, a gift aid donation of £25,257 (2023: £1,022) was paid to the Trust. The aggregate capital and reserves of Heriot Enterprises Limited at 31 July 2024 was £22,617 (2023: £25,257).

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

15. Debtors

	Group		Trust	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	34,022	48,866	6,898	27,174
Amounts due from subsidiary undertakings	-	-	73,131	42,952
Other debtors	22,641	75,782	22,641	75,782
Prepayments and accrued income	246,776	353,088	244,378	350,868
	<u>303,439</u>	<u>477,736</u>	<u>347,048</u>	<u>496,776</u>

The amounts due from subsidiary undertakings are unsecured and repayable on demand.

16. Financial assets held at fair value

	Group		Trust	
	2024	2023	2024	2023
	£	£	£	£
Financial assets at fair value	<u>11,979,900</u>	<u>10,491,172</u>	<u>11,979,900</u>	<u>10,491,172</u>

Financial assets at fair value consist of listed investments held at market value.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

17. Creditors (within one year)

	Group		Trust	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	425,445	460,130	425,445	460,130
Trade creditors	171,503	358,543	167,916	358,543
Amounts due to subsidiary undertakings	-	-	32,858	-
VAT	3,664	3,496	3,072	3,891
Other tax and social security	-	353,512	-	352,876
Teaching and non-teaching superannuation	47,639	243,852	47,281	243,505
Accruals and deferred income	9,804,527	1,729,032	9,783,391	1,714,669
Hire purchase and lease creditors (Note 19)	80,765	181,059	80,765	181,059
Other creditors	138,236	90,469	138,413	90,469
	<u>10,671,779</u>	<u>3,420,093</u>	<u>10,679,141</u>	<u>3,405,142</u>

Deferred income (Group and Trust)

School fees received in advance are deferred into the year in which they relate. The following amounts are included within accruals and deferred income:

	2024	2023
	£	£
Balance at 1 August 2023	639,772	769,703
Income received and deferred in year	8,391,270	639,772
Released in year	(639,772)	(769,703)
Balance at 31 July 2024	<u>8,391,270</u>	<u>639,772</u>

18. Creditors (due after more than one year)

Group and Trust	2024	2023
	£	£
Bank loans	6,924,146	7,288,626
Hire purchase and lease creditors (Note 19)	100,294	183,679
	<u>7,024,440</u>	<u>7,472,305</u>

Maturity of debt:	2024	2023
	£	£
Bank loans and hire purchase debts		
Due within 1 year	506,210	641,189
Due within 1 – 2 years	494,883	552,574
Due within 2 – 5 years	1,583,196	1,561,711
Due after 5 years	4,946,361	5,358,020
	<u>7,530,650</u>	<u>8,113,494</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

18. Creditors (due after more than one year) (continued)

Bank loans consisted of the following:

Fixed rate loan of £3.75m drawn down during 2016/17, repayable over 25 years in equal monthly instalments. Interest is fixed at 3.79% per annum for the duration of the loan.

Fixed rate loan of £3m drawn down during 2018/19, repayable over 23 years in equal monthly instalments. Interest is fixed at 4.15% per annum for the duration of the loan.

Variable rate loan of £1.82m drawn down during 2023/24, repayable over 4 years in equal monthly instalments. Interest is variable at base rate + 0.96% per annum for the duration of the loan.

The bank loans are unsecured.

19. Obligations under finance leases

The total future minimum finance lease payments at the end of the reporting period were:

Group and Trust	2024 £	2023 £
Due within 1 year	80,765	181,059
Due within 1 – 5 years	100,294	183,679
	<u>181,059</u>	<u>364,738</u>

Finance lease creditors are secured over the assets to which they relate.

20. Analysis of net assets by funds

Group

2024	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	60,717,636	-	-	60,717,636
Investments	1,816,325	761,021	9,512,708	12,090,054
Net current assets	4,121,127	762,258	-	4,883,385
Creditors due after more than one year	(7,024,440)	-	-	(7,024,440)
	<u>59,630,648</u>	<u>1,523,279</u>	<u>9,512,708</u>	<u>70,666,635</u>
2023	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	60,758,886	-	-	60,758,886
Investments	1,989,056	703,708	8,118,560	10,811,324
Net current assets	3,524,358	516,080	-	4,040,438
Creditors due after more than one year	(7,472,305)	-	-	(7,472,305)
	<u>58,799,995</u>	<u>1,219,788</u>	<u>8,118,560</u>	<u>68,138,343</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

20. Analysis of net assets by funds (continued)

Trust

2024	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	60,717,636	-	-	60,717,636
Investments	1,816,325	761,021	9,512,708	12,090,054
Net current assets	4,064,962	762,258	-	4,827,220
Creditors due after more than one year	(7,024,440)	-	-	(7,024,440)
	<u>59,574,483</u>	<u>1,523,279</u>	<u>9,512,708</u>	<u>70,610,470</u>
2023	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	60,758,886	-	-	60,758,886
Investments	1,989,056	703,708	8,118,560	10,811,324
Net current assets	3,445,594	516,080	-	3,961,674
Creditors due after more than one year	(7,472,305)	-	-	(7,472,305)
	<u>58,721,231</u>	<u>1,219,788</u>	<u>8,118,560</u>	<u>68,059,579</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

21. Movement in funds

Group 2024	At 31 July 2023	Income	Expenditure	Gains/(losses)	At 31 July 2024
Unrestricted					
General Fund	55,570,787	24,669,782	(24,107,590)	69,261	56,202,240
Designated					
James Fraser Brown Bequest Fund	1,961,393	48,259	(48,259)	169,200	2,130,593
PPMP provision	200,000	-	-	-	200,000
Further Grassmarket Development	800,000	-	-	-	800,000
Annual Fund (general)	13,358	30,000	-	-	43,358
Emergency bursary assistance fund	254,457	-	-	-	254,457
Total designated funds	3,229,208	78,259	(48,259)	169,200	3,428,408
Total unrestricted funds	58,799,995	24,748,041	(24,155,849)	238,461	59,630,648
Restricted					
Dr Lindsay Stewart	703,708	19,172	-	38,141	761,021
Sutherland & Young Legacy	52,788	-	(16,398)	-	36,390
Bursaries donation	149,117	43,130	(10,161)	-	182,086
We are all George Heriot	-	84,127	-	-	84,127
AV System – Citizenship	28,750	-	(28,750)	-	-
Foundation Fund	-	1,500	(1,500)	-	-
Small funds (individually below £10,000)	26,421	51,117	-	-	77,538
Raymond Scott Fund	-	49,578	-	-	49,578
Endowment funds – revenue:					
Higher Education Bursaries Fund	30,383	6,499	(6,200)	-	30,682
The Prizes Fund	100	3,670	(3,770)	-	-
The Heriot Bursaries Fund	94,589	54,676	(6,308)	-	142,957
Lawrence S Miller Memorial Fund	24,881	843	-	-	25,724
Robert Donaldson Tait Funds (Foundation)	62,439	68,706	(46,794)	-	84,351
Robert Burns Bequest Fund	9,192	534	-	-	9,726
Edith Dickson Bequest Fund	11,299	900	-	-	12,199
George J Scott Bequest Fund	3,411	143	-	-	3,554
Small funds	22,710	636	-	-	23,346
Total restricted funds	1,219,788	385,231	(119,881)	38,141	1,523,279
Endowment funds					
Higher Education Bursaries Fund	273,604	35,000	-	22,787	331,391
The Prizes Fund	176,541	470	-	12,868	189,879
The Heriot Bursaries Fund	2,136,537	40,947	-	191,699	2,369,183
Lawrence S Miller Memorial Fund	22,845	-	-	2,957	25,802
Robert Donaldson Tait Funds (Foundation)	3,140,327	664,953	-	240,889	4,046,169
Robert Burns Bequest Fund	21,674	-	-	1,872	23,546
Edith Dickson Bequest Fund	36,548	-	-	3,156	39,704
George J Scott Bequest Fund	7,838	-	-	500	8,338
Raymond Scott Bequest Fund	2,276,906	-	-	173,826	2,450,732
Small funds (individually below £10,000)	25,740	-	-	2,224	27,964
Total endowment funds	8,118,560	741,370	-	652,778	9,512,708
Total funds	68,138,343	25,874,642	(24,275,730)	929,380	70,666,635

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

21. Movement in funds (continued)

Group 2023	At 31 July 2022	Income	Expenditure	Transfers	Gains/ (losses)	At 31 July 2023
	£	£	£	£	£	£
Unrestricted	54,718,033	22,169,813	(21,282,641)	-	(34,418)	55,570,787
General Fund						
Designated						
James Fraser Brown Bequest Fund	2,045,472	51,687	(51,687)	-	(84,079)	1,961,393
PPMP provision	200,000	-	-	-	-	200,000
Further Grassmarket Development	800,000	-	-	-	-	800,000
Annual Fund (general)	10,408	2,950	-	-	-	13,358
Emergency bursary assistance fund	254,457	-	-	-	-	254,457
Total designated funds	3,310,337	54,637	(51,687)	-	(84,079)	3,229,208
Total unrestricted funds	58,028,370	22,224,450	(21,334,328)	-	(118,497)	58,799,995
Restricted						
Dr Lindsay Stewart	700,378	22,091	-	-	(18,761)	703,708
Sutherland & Young Legacy	52,788	-	-	-	-	52,788
Bursaries donation	163,160	51,088	(65,131)	-	-	149,117
Foundation Fund	14,022	1,500	(15,522)	-	-	-
AV System – Citizenship	28,750	-	-	-	-	28,750
Small funds (individually below £10,000)	6,333	21,088	(1,000)	-	-	26,421
Endowment funds – revenue:						
Higher Education Bursaries Fund	30,383	6,961	(6,961)	-	-	30,383
The Prizes Fund	100	3,931	(3,931)	-	-	100
The Heriot Bursaries Fund	94,589	58,560	(58,560)	-	-	94,589
Lawrence S Miller Memorial Fund	23,978	903	-	-	-	24,881
Robert Donaldson Tait Funds (Foundation)	62,439	73,587	(73,587)	-	-	62,439
Robert Burns Bequest Fund	8,620	572	-	-	-	9,192
Edith Dickson Bequest Fund	10,335	964	-	-	-	11,299
George J Scott Bequest Fund	3,258	153	-	-	-	3,411
Raymond Scott Bequest Fund		53,100	(53,100)	-	-	-
Small funds	22,591	679	(560)	-	-	22,710
Total restricted funds	1,221,724	295,177	(278,352)	-	(18,761)	1,219,788
Endowment funds						
Higher Education Bursaries Fund	284,927	-	-	-	(11,323)	273,604
The Prizes Fund	182,679	256	-	-	(6,394)	176,541
The Heriot Bursaries Fund	2,231,736	60	-	-	(95,259)	2,136,537
Lawrence S Miller Memorial Fund	24,314	-	-	-	(1,469)	22,845
Robert Donaldson Tait Funds (Foundation)	3,050,991	209,039	-	-	(119,703)	3,140,327
Robert Burns Bequest Fund	22,604	-	-	-	(930)	21,674
Edith Dickson Bequest Fund	38,117	-	-	-	(1,569)	36,548
George J Scott Bequest Fund	8,086	-	-	-	(248)	7,838
Raymond Scott Bequest Fund	2,363,285	-	-	-	(86,379)	2,276,906
Small funds (individually below £10,000)	26,845	-	-	-	(1,105)	25,740
Total endowment funds	8,233,584	209,355	-	-	(324,379)	8,118,560
Total funds	67,483,678	22,728,982	(21,612,680)	-	(461,637)	68,138,343

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

21. Movements in funds (continued)

Trust 2024	At 31 July 2023	Income	Expenditure	Gains/(losses)	At 31 July 2024
Unrestricted					
General Fund	55,492,023	24,646,240	(24,061,449)	69,261	56,146,075
Designated					
James Fraser Brown Bequest Fund	1,961,393	48,259	(48,259)	169,200	2,130,593
PPMP provision	200,000	-	-	-	200,000
Further Grassmarket Development	800,000	-	-	-	800,000
Annual Fund (general)	13,358	30,000	-	-	43,358
Emergency bursary assistance fund	254,457	-	-	-	254,457
Total designated funds	3,229,208	78,259	(48,259)	169,200	3,428,408
Total unrestricted funds	58,721,231	24,724,499	(24,109,708)	238,461	59,574,483
Restricted					
Dr Lindsay Stewart	703,708	19,172	-	38,141	761,021
Sutherland & Young Legacy	52,788	-	(16,398)	-	36,390
Bursaries donation	149,117	43,130	(10,161)	-	182,086
We are all George Heriot	-	84,127	-	-	84,127
AV System – Citizenship	28,750	-	(28,750)	-	-
Foundation Fund	-	1,500	(1,500)	-	-
Small funds (individually below £10,000)	26,421	51,117	-	-	77,538
Raymond Scott Fund	-	49,578	-	-	49,578
Endowment funds – revenue:					
Higher Education Bursaries Fund	30,383	6,499	(6,200)	-	30,682
The Prizes Fund	100	3,670	(3,770)	-	-
The Heriot Bursaries Fund	94,589	54,676	(6,308)	-	142,957
Lawrence S Miller Memorial Fund	24,881	843	-	-	25,724
Robert Donaldson Tait Funds (Foundation)	62,439	68,706	(46,794)	-	84,351
Robert Burns Bequest Fund	9,192	534	-	-	9,726
Edith Dickson Bequest Fund	11,299	900	-	-	12,199
George J Scott Bequest Fund	3,411	143	-	-	3,554
Small funds	22,710	636	-	-	23,346
Total restricted funds	1,219,788	385,231	(119,881)	38,141	1,523,279
Endowment funds					
Higher Education Bursaries Fund	273,604	35,000	-	22,787	331,391
The Prizes Fund	176,541	470	-	12,868	189,879
The Heriot Bursaries Fund	2,136,537	40,947	-	191,699	2,369,183
Lawrence S Miller Memorial Fund	22,845	-	-	2,957	25,802
Robert Donaldson Tait Funds (Foundation)	3,140,327	664,953	-	240,889	4,046,169
Robert Burns Bequest Fund	21,674	-	-	1,872	23,546
Edith Dickson Bequest Fund	36,548	-	-	3,156	39,704
George J Scott Bequest Fund	7,838	-	-	500	8,338
Raymond Scott Bequest Fund	2,276,906	-	-	173,826	2,450,732
Small funds (individually below £10,000)	25,740	-	-	2,224	27,964
Total endowment funds	8,118,560	741,370	-	652,778	9,512,708
Total funds	68,059,579	25,851,100	(24,229,589)	929,380	70,610,470

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

21. Movements in funds (continued)

Trust 2023	At 31 July 2022	Income	Expenditure	Transfers	Gains/ (losses)	At 31 July 2023
	£	£	£	£	£	£
Unrestricted						
General Fund	54,660,353	22,126,470	(21,260,382)	-	(34,418)	55,492,023
Designated						
James Fraser Brown Bequest Fund	2,045,472	51,687	(51,687)	-	(84,079)	1,961,393
PPMP provision	200,000	-	-	-	-	200,000
Further Grassmarket Development	800,000	-	-	-	-	800,000
Annual Fund (general)	10,408	2,950	-	-	-	13,358
Emergency bursary assistance fund	254,457	-	-	-	-	254,457
Total designated funds	3,310,337	54,637	(51,687)	-	(84,079)	3,229,208
Total unrestricted funds	57,970,690	22,181,107	(21,312,069)	-	(118,497)	58,721,231
Restricted						
Dr Lindsay Stewart	700,378	22,091	-	-	(18,761)	703,708
Sutherland & Young Legacy	52,788	-	-	-	-	52,788
Bursaries donation	163,160	51,088	(65,131)	-	-	149,117
Foundation Fund	14,022	1,500	(15,522)	-	-	-
AV System – Citizenship	28,750	-	-	-	-	28,750
Small funds (individually below £10,000)	6,333	21,088	(1,000)	-	-	26,421
Endowment funds – revenue:						
Higher Education Bursaries Fund	30,383	6,961	(6,961)	-	-	30,383
The Prizes Fund	100	3,931	(3,931)	-	-	100
The Heriot Bursaries Fund	94,589	58,560	(58,560)	-	-	94,589
Lawrence S Miller Memorial Fund	23,978	903	-	-	-	24,881
Robert Donaldson Tait Funds (Foundation)	62,439	73,587	(73,587)	-	-	62,439
Robert Burns Bequest Fund	8,620	572	-	-	-	9,192
Edith Dickson Bequest Fund	10,335	964	-	-	-	11,299
George J Scott Bequest Fund	3,258	153	-	-	-	3,411
Raymond Scott Bequest Fund	-	53,100	(53,100)	-	-	-
Small funds	22,591	679	(560)	-	-	22,710
Total restricted funds	1,221,724	295,177	(278,352)	-	(18,761)	1,219,788
Endowment funds						
Higher Education Bursaries Fund	284,927	-	-	-	(11,323)	273,604
The Prizes Fund	182,679	256	-	-	(6,394)	176,541
The Heriot Bursaries Fund	2,231,736	60	-	-	(95,259)	2,136,537
Lawrence S Miller Memorial Fund	24,314	-	-	-	(1,469)	22,845
Robert Donaldson Tait Funds (Foundation)	3,050,991	209,039	-	-	(119,703)	3,140,327
Robert Burns Bequest Fund	22,604	-	-	-	(930)	21,674
Edith Dickson Bequest Fund	38,117	-	-	-	(1,569)	36,548
George J Scott Bequest Fund	8,086	-	-	-	(248)	7,838
Raymond Scott Bequest Fund	2,363,285	-	-	-	(86,379)	2,276,906
Small funds (individually below £10,000)	26,845	-	-	-	(1,105)	25,740
Total endowment funds	8,233,584	209,355	-	-	(324,379)	8,118,560
Total funds	67,425,998	22,685,639	(21,590,421)	-	(461,637)	68,059,579

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

21. Movements in funds (continued)

Designated funds

James Fraser Brown Bequest Fund

The Governors invested the original donation and approved the free income generated to be used to fund the future enhancement of the School.

PPMP provision

The Governors have designated these funds towards the future maintenance of property.

Further Grassmarket Development

The Governors have designated these funds towards the future development of property situated in the Grassmarket, Edinburgh.

Annual Fund (general)

The annual fund receives general donations which have been designated by the Governors for where the School needs it most.

Emergency bursary assistance fund

This fund was originally set up for the monies received from the furlough scheme which the Board designated to support the CEBA scheme. The fund was renamed from the "Covid 19 Furlough" fund during the year ended 31 July 2022 as the fund's purpose has been widened to include funding future emergency bursary assistance needs arising for reasons other than the pandemic. Any funds that are subsequently unutilised will be subject to Board discussion, with a preference to re-designating them toward supporting parents over the longer term.

Restricted funds

Dr Lindsay Stewart

This legacy will be used toward the refurbishment of the Music Department.

Sutherland & Young Legacy

This legacy will be used towards security and health and safety related purposes.

Bursaries donation

These donations will be used to fund two full bursaries in the senior school and now include the Richard Ogorkiewicz bursary.

Foundation Fund

Donations received for the Foundationers.

We are all George Heriot

A six year campaign looking to raise funds for bursary places at the school.

AV System – Citizenship

This is to be used against the costs of a new AV system in the theatre.

Endowment funds

Higher Education Bursaries Fund

The free income will be used towards awarding certain specific bursaries.

The Prizes Fund

The free income of the fund will be used towards the annual prize giving.

The Heriot Bursaries Fund

The free income will be used to provide the School such number of bursaries as the Governors think fit.

Lawrence S Miller Memorial Fund

The free income will assist with expenses of pupil(s) in need of aid, desiring to participate in educational tours abroad organised by the School, preference being given to Foundationers, other bursary recipients, and Fee-Paying Pupils in that order.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

21. Movements in funds (continued)

Robert Donaldson Tait Funds

The free income will be used for the benefit of Foundationers in such manner as the Governors in their uncontrolled discretion may think fit.

Robert Burns Bequest Fund

The free income will provide financial assistance for deserving pupils.

Edith Dickson Bequest Fund

The free income will be used to help keep pupils at School who would otherwise have to leave due to a change in their financial circumstances or helping deserving pupils to join the School who would not otherwise be able to do so due to their parents' financial circumstances.

George J Scott Bequest Fund

The Governing Body shall apply the free income of the George J. Scott's Bequest Fund in aiding a School Foundationer who shows merit, application and special ability.

Raymond Scott Bequest Fund

The income generated by the bequest should be used wherever the School's need is greatest but with an emphasis on The Foundation and Bursaries. The bequest is not to be spent on general administration.

22. Net cash inflow from operating activities

	Group		Trust	
	2024	2023	2024	2023
	£	£	£	£
Net income	2,528,292	654,665	2,550,891	633,581
Investment income	(441,072)	(366,884)	(441,672)	(367,484)
Financing costs	299,987	314,474	299,987	314,474
Endowment donations	(741,370)	(209,355)	(741,370)	(209,355)
Depreciation charges	413,575	452,266	413,575	452,266
(Gain)/loss on investments	(929,380)	461,637	(929,380)	461,637
Loss on disposal of fixed asset	-	50,759	-	50,759
Decrease/(increase) in stock	3,480	(9,240)	10,577	(8,104)
Decrease in debtors	174,297	45,216	149,728	93,294
Increase/(decrease) in creditors	7,386,665	(387,526)	7,408,978	(384,283)
	<u>8,694,474</u>	<u>1,006,012</u>	<u>8,721,314</u>	<u>1,036,785</u>
Net cash provided by operating activities	<u>8,694,474</u>	<u>1,006,012</u>	<u>8,721,314</u>	<u>1,036,785</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

23. Reconciliation of net debt

Group	At 31 July 2023 £	Cash flows £	Non-cash movement £	At 31 July 2024 £
Cash and cash equivalents	7,248,614	8,062,412	-	15,311,026
Bank loans falling due within one year	(460,130)	-	34,685	(425,445)
Bank loans falling due after more than one year	(7,288,626)	399,165	(34,685)	(6,924,146)
Hire purchase obligations falling due within one year	(181,059)	-	100,294	(80,765)
Hire purchase obligations falling due after more than one year	(183,679)	183,679	(100,294)	(100,294)
	(864,880)	8,645,256	-	7,780,376

Trust	At 31 July 2023 £	Cash flows £	Non-cash movement £	At 31 July 2024 £
Cash and cash equivalents	7,147,476	8,089,852	-	15,237,328
Bank loans falling due within one year	(460,130)	-	34,685	(425,445)
Bank loans falling due after more than one year	(7,288,626)	399,165	(34,685)	(6,924,146)
Hire purchase obligations falling due within one year	(181,059)	-	100,294	(80,765)
Hire purchase obligations falling due after more than one year	(183,679)	183,679	(100,294)	(100,294)
	(966,018)	8,672,696	-	7,706,678

24. Cash and cash equivalents

	Group		Trust	
	2024 £	2023 £	2024 £	2023 £
Cash in hand and at bank	15,200,872	6,928,462	15,127,174	6,827,324
Cash held within investment portfolio	110,154	320,152	110,154	320,152
Cash and cash equivalents	<u>15,311,026</u>	<u>7,248,614</u>	<u>15,237,328</u>	<u>7,147,476</u>

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

25. Agency related income and expenditure

During the year income and expenditure relating to school events and school trips were identified as falling under an agency relationship. These amounts, detailed below, were collected from parents and paid over to third party providers. In accordance with best practice, these amounts have been excluded from the income and expenditure of the Trust.

Group and Trust	2024 £	2023 £
School events	167,452	127,663
School trips	1,319,706	1,154,897
	<u>1,487,158</u>	<u>1,282,560</u>

26. Related parties

During the year the wholly-owned subsidiary Heriot Enterprises Limited charged the Trust a donation of £25,257 (2023: £1,022), being a distribution out of the subsidiary's profits made in the prior year. At 31 July 2024 £42,587 (2023: £25,680) was owing to the Trust.

During the year the wholly-controlled subsidiary The Heriot's Centre for Sport and Exercise Limited charged the Trust £109,527 (2023: £112,327) for premises hire. The Trust charged the subsidiary £62,552 (2023: £61,432) in license and service fees. At 31 July 2024 £30,544 (2023: £17,272) was owing to the Trust and £32,858 (2023: £nil) was owed by the Trust.

The transactions and balances with the subsidiaries are eliminated in the preparation of the group financial statements.

No Governors, nor any of their connected persons, have been remunerated or reimbursed expenses in either the current or previous financial year. No donations were received by the Trust from Governors for the year (2023: £nil).

Total employee benefits, including employer national insurance contributions, of key management personnel for the year were £709,617 (2023: £671,758).

The following Governors were relatives of pupils in the School during the financial year ended 31 July 2024:

Mr Andrew McGeough
Mrs Nicola McLaughlan
Mr Ross McAuley
Mrs Louise Gibson
Mr Brian Sherriff

No financial benefit is received by any of the Governors listed above.

GEORGE HERIOT'S TRUST
Notes to the Financial Statements
for the year ended 31 July 2024

27. Operating leases

The payments due under non-cancellable operating leases are as follows:

	Group		Trust	
	2024 Motor Vehicles	2023 Motor Vehicles	2024 Motor Vehicles	2023 Motor Vehicles
	£	£	£	£
Less than one year	14,057	6,266	14,057	6,266
Between one and two years	14,057	19,365	14,057	19,365
Between two and five years	29,570	-	29,570	-
	<u>57,684</u>	<u>25,631</u>	<u>57,684</u>	<u>25,631</u>

Amounts payable under non-cancellable operating leases recognised in the statement of financial activities during the current year totaled £6,266 (2023: £7,388).

28. Legal form

George Heriot's Trust is a charity, registered in the Scottish Charity Register number SC011463, and administered under the George Heriot's Trust Scheme 2017. This new Scheme was approved by the Office of the Scottish Charity Regulator on 15 February 2017, in terms of the Charity and Trustee Investment (Scotland) Act 2005 and adopted by the Trust on 3 March 2017. The Trust owns and operates George Heriot's School.

29. Post balance sheet events

On 29 July 2024, the government published draft legislation which charges VAT at 20% on education and boarding services provided by private schools. The measure applies to fees paid from 29 July 2024 in relation to the term starting on or after 1 January 2025.