

**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNING BOARD**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Registered company number: SC125368  
Registered charity number: SC018033**

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

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## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **SCIS GOVERNING BOARD 2018 (Chairman and members)**

#### **Chairman**

Alan Hartley

#### **Board Members**

Richard Toley	Head, Lathallan School, Angus (Chair of FGP Committee).
Jennifer Alexander	Bursar and Treasurer, George Heriot's School, Edinburgh.
Matthew Bartlett	Head, St Aloysius College, Glasgow.
Laura Battles	Chief Executive, Donaldson's, Linlithgow.
Gavin Calder	Headteacher, Edinburgh Academy Junior School (until April 2018).
Mark Becher	Headmaster, The Compass School, Haddington.
Mike Carslaw	Headmaster, St Leonards School, St Andrews.
John Gilmour	Headmaster, Craigclowan Prep School, Perth.
Simon Johnson	Headmaster, Wellington School, Ayr.
Elizabeth Lister	Governor, Strathallan School, Perth (until April 2018).
Elaine Logan	Governor, Cargilfield Prep School, Edinburgh.
Jacqui McInnes	Accountant, The Glasgow Academy, Glasgow.
Jonathan Molloy	Bursar Erskine Stewart's Melville Schools, Edinburgh.
Pamela Muir	Finance Director, Gordonstoun, Elgin (since April 2018).
Laura Murphy	Headteacher, Fernhill School, Glasgow.
Simon Pengelley	Governor, High School Of Glasgow & Loretto.
Melvyn Roffe	Principal, George Watson's College, Edinburgh.
Melvyn Shanks	Principal, Belmont House School, Glasgow.
Anna Tomlinson	Head, St Margaret's School for Girls, Aberdeen (since April 2018).
Justin Wilkes	Bursar, Dollar Academy, Clackmannanshire.

#### **Honorary Treasurer**

Jeremy Harper	Financial Controller, The Edinburgh Academy.
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#### **SCIS Staff**

Key management personnel:	
Director	John Edward
Deputy Director, Education & Professional Learning	Margaret Lannon
Deputy Director, External Relations	Alison Herbert
Assistant Director, Finance & Research	Alison Newlands
Administrator (part-time)	Claire Burnett
Administrator (part-time)	Kirsten Hamilton

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **PROFESSIONAL AND LEGAL ADVISORS**

Auditors	Scott-Moncrieff, Exchange Place 3, Semple Street, Edinburgh EH3 8BL
Bankers	Bank of Scotland, 38 St Andrew Square, Edinburgh EH2 2YR
Investment Managers	Brewin Dolphin, 144 Morrison Street, Edinburgh, EH3 8BR
Insurances	Marsh Limited, 48 St Vincent Street, Glasgow G2 5TR
Solicitors	Clyde & Co, Albany House, 58 Albany St, Edinburgh, EH1 3QR
Employment Law	Navigator Employment Law Limited, 27 Stafford Street, Edinburgh, EH3 7BJ Brodies LLP, 15 Atholl Crescent, Edinburgh EH3 8HA

**The Scottish Council of Independent Schools is a company limited by guarantee registered in Scotland No SC125368 and registered as a Scottish Charity, No SC018033, at 61 Dublin Street, Edinburgh EH3 6NL. [www.scis.org.uk](http://www.scis.org.uk).**

# **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

## **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

Members of the SCIS Governing Board (directors for the purpose of company law) who are also charity trustees for the purposes of charity law, have pleasure in submitting their report, together with the audited financial statements, for the year to 31 December 2018.

### **PURPOSES AND POWERS**

The main objectives of SCIS, in accordance with its Articles of Association, are:

- To promote, advance and support education in schools ("Independent Schools") in Scotland at which full time education is provided not being schools maintained by a local education authority.
- To act as a means of communication between Independent Schools and any government department or any public or private authority or body connection with matters relating to the advancement of education, the development of curricula, the training of teachers and the development of teaching skills, methods and aids.
- To provide advice and assistance to schools on all aspects of educational policy and the advancement of education, the development of curricula, the training of teachers and the development of teaching skills, methods and aids.
- To provide facilities for the professional development of teachers and development of teaching skills, and to provide services to bursars, governors, support staff and other school staff.

In furtherance of the objects SCIS aims to exercise the following powers:

- To co-operate with and support any national or regional body having the same or similar objects.
- To provide a common centre for contact and co-operation between all Independent Schools.
- To act as a source of information and advice to the general public on the independent sector in Scotland.
- To collect, coordinate and disseminate knowledge, data, statistics, and information relating to independent education in Scotland or any other data, statistics or information.
- To print, publish and circulate brochures, pamphlets or other matter relating to education.
- To hold or support and attend conferences and public meetings to advance the sector.
- To maintain and provide an information service for parents, pupils and schools.
- To publish information regarding special facilities at or provided by independent schools.
- To provide representatives to sit on any public or private body or committee.

### **Objectives and services**

The Governing Board has reaffirmed in the past that SCIS's objectives are:

- to provide a professional and bespoke service to member schools that is supportive, relevant and of high value.
- to represent, protect and promote the interests and identity of the independent school sector – including those of special schools.
- to enable the sector to make a worthwhile and recognised contribution to the development of education in Scotland, the UK and beyond.

Within the context of the above strategy, and recognising that SCIS holds no regulatory role, SCIS's continuing key aims are to deliver the following specific services through CPD, regulatory and legal guidance, and additional events and publications.

### **Service to Schools:**

- to support member schools in delivering a high quality, values-based education for all pupils
- to provide up-to-date guidance and advice to schools on key political, educational, pastoral, special and additional support needs, legal and financial issues
- to make information accessible to parents and young people, the media, political and community figures and the general public
- to support Governors, Heads, Bursars, teaching and support staff through the SCIS CPD programme
- to provide research to help schools with their education choices, forward planning and marketing strategies.

# **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

## **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

### **Promoting the Sector:**

- to represent the sector at national, regional and community events concerned with the education, well-being and care of children and young people in Scotland
- to promote the sector to members of the Scottish and UK Government, the Scottish and UK Parliament, the media, national educational and other bodies, in order to foster a better and more informed understanding of the sector
- to highlight and support the particular educational and pastoral responsibilities of special schools
- to promote the sector to parents, challenge misconceptions, to encourage participation and widen access to the sector
- to secure, market and enhance the global reputation of the independent sector – including the promotion of Scotland's boarding schools.

### **Service to Education:**

- to contribute to the development of education in its widest sense for children and young people in Scotland
- to promote excellence in academic and all-round achievement
- to support highly-qualified and well-resourced teaching and support staff
- to defend the independence, autonomy and founding principles of individual institutions
- to engage constructively with employers, further and higher education to ensure the widest choice of positive learner destinations
- to demonstrate the sector's breadth and excellence in curricular and qualification development to support quality improvement with proportionate, informed and responsive inspections.

# **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

## **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

### **ACHIEVEMENTS AND PERFORMANCE**

#### **SERVICES TO SCHOOLS**

##### **SCIS school statistics**

SCIS provides analysis of pupil numbers, staffing levels, examination results, leaver destinations and the financial assistance provided by independent schools – as well as ad hoc research work requested by the Governing Board of SCIS and individual schools. All research findings are published on the SCIS website. The historical and comparative data which SCIS provides helps schools demonstrate their value for money and evaluate their position in a wider context. In 2018:

- SCIS remained equivalent to the eighth largest local authority in terms of pupil numbers in its member schools.
- The independent school sector employed 3,689 in their teaching workforce in Scotland. There are approximately 2,500 non-teaching staff including residential care, support and administrative staff.
- Approximately 88% of leavers entered further or higher education.

##### **Pupil numbers**

At the start of each new academic year SCIS conducts a census to gather data from member schools, which provides an overview of the sector. The analysis of this data is made available to member schools, the public and the press. Facts and statistics about pupil numbers and demographic projections can be downloaded from the SCIS website.

As at September 2018 there were 29,495, (2017: 29,664) pupils in SCIS schools. Of these, 1,556 (2017: 1,545) were children in nurseries, 10,130 (2017: 10,286) were in primary schools and 17,809 (2017: 17,833) were in secondary schools. Pupil numbers in the independent sector remained constant robust with a 0.6% fall since 2017, representing 4.1% of the Scottish school pupil population. Boarding pupils in the independent sector numbered 2,972 in September 2018, down from 3,072 at the same point in 2017.

##### **Financial assistance**

All mainstream member schools offer financial assistance, most commonly in the form of means-tested awards, granted on the basis of financial need. The level of financial assistance can vary considerably from a free place (where 100% of the fees are met by the school) to awards worth around 20% of the fees. In 2018-19, approximately one-third of all pupils received some form of financial help with their fees, amounting to £51 million in overall financial assistance, of which over £30 million was fully means-tested. The anticipated removal of non-domestic rates relief has required schools to already revisit their planned budgets for coming years.

##### **Examination Results**

Although most senior pupils in the independent sector sit Scottish Qualifications Authority (SQA) examinations, a significant number are presented for GCSE, A Levels and the International Baccalaureate. The full table of SQA post-marking review results by school is published by SCIS each year on the SCIS website.<sup>1</sup> A majority of schools chose to put forward one set of results, after the post-results service, rather than double-gathering results pre and post marking review. In addition, a substantial number of schools no longer contribute to an overall survey for the sector so SCIS no longer compiles or releases individual school data to the public.

The latest post marking review examination results for independent schools are produced from the Scottish Qualifications Authority's, published in December 2018. The summary below provides a snapshot of the performance of candidates in independent schools compared with candidates in all schools in Scotland.

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<sup>1</sup> <http://www.scis.org.uk/facts-and-figures/exam-results/>

# SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS

## REPORT OF THE GOVERNING BOARD

for the Year Ended 31 December 2018

### ACHIEVEMENTS AND PERFORMANCE (continued)

Comparable figures for Scotland in International Baccalaureate, A Level and GCSE results are not currently available although individual results for each participating school are available. Each year the Independent Schools Council (ISC) releases A Level and International Baccalaureate results and Scottish independent schools are included in the data produced.<sup>2</sup>

#### 2018 Pre-Marking Review SQA Results – all SCIS schools (mainstream and special)

2018	SCIS entries as a % of all entries	Entries SCIS schools	Entries non-SCIS schools	A-C Pass Rate SCIS schools %	A-C Pass Rate non-SCIS schools %
National 4	0.9	918	106,033	91.8	91.1
National 5	6.3	17,804	281,785	94.6	77.4
Highers	7.3	14,084	191,951	92.7	76.8
Adv. Highers	15.9	3,858	24,331	93.2	80.5
Scottish Bacc.	2.6	4	155	100	77.4

#### Professional learning

The Professional Learning programme continues to be integral to the services provided by SCIS. During 2018 in excess of 65 courses and events were facilitated, catering for over 1,100 members of staff in a wide range of roles; from teachers to classroom assistants, boarding and nursing staff, administrative and marketing staff to senior managers and governors.

Creating a Professional Learning Programme that meets the needs of the sector is the result of synthesising intelligence from a range of sources. National government priorities, local authority initiatives and sector-specific considerations – from the Scottish and wider UK perspective - are all taken into account. SCIS representation on national bodies, coupled with networking and social media engagement, allows access to a broad range of speakers from all spheres. This has been particularly evident throughout 2018 ranging from Scottish Government (young carers legislation) to university academics supporting the leadership development events. Member schools contribute to shaping the Programme, with colleagues often proactively suggesting areas for inclusion/speakers of interest. Allied to this, SCIS regularly facilitates focus groups with a view to helping create future provision that is demand informed/driven.

During 2018 a number of new initiatives were launched, with the most notable being:

1. a CBT-informed Mental Health Programme;
2. a refreshed Probationer Programme (with in excess of 30 Probationers attending);
3. a bespoke Leadership Development Programme for colleagues in non-teaching roles;
4. an enhanced focus on Governance, including a new course for Governors with a safeguarding responsibility; and
5. close partnership working with respectme to facilitate anti-bullying courses.

It is worth recognising and acknowledging that each of the SCIS multi-day Programmes: Middle Leadership; School Leadership; Support Staff Leadership; and CBT Informed Mental Health were all full with waiting lists created.

In September 2018, a revised approach to evaluating the professional learning events was adopted. This approach is grounded in reflection, and attempts to measure the new knowledge and skills of participants i.e. more emphasis on qualitative rather than quantitative data. This has resulted in enhanced feedback being collected which gives a greater insight into how future content and format can be informed.

<sup>2</sup> <http://www.isc.co.uk/research/exam-results/>



## SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS

### REPORT OF THE GOVERNING BOARD

for the Year Ended 31 December 2018

#### ACHIEVEMENTS AND PERFORMANCE (continued)

The professional learning programme continues to be instrumental to the work of SCIS, it:

- keeps the sector abreast and engaged in current national educational policy (e.g. joint inspections, anti-bullying, young carers);
- provides access to a range of professionals, agencies and national bodies; and
- delivers sector-informed professional learning that is consistently well-received.

Coupled with the above, the increasing number of focus groups has been cited as an excellent professional learning opportunity for colleagues and contributes to enhancing collaboration across the sector.

Courses, speakers and venues are kept under constant review, and SCIS continues to aim to provide high quality courses which offer value for money as part of SCIS service to member schools.

The professional learning programme can also be followed on Twitter at @SCIScpd.

#### Barclay Review of Business Rates

A Freedom of Information request published on 7 February revealed that ministers were advised that accepting the proposal relating to independent schools risks making them “second class charities” and undermine legislation that regulates all charities. Government officials reiterated concerns and warned the proposed change threatened the “integrity of charity test”. Emails indicated OSCR held the same concerns: *“Overall [the OSCR] thought the report was making it seem like these changes would be easy and straightforward, but all the complexities/unintended consequences haven’t been fully considered or explored.”* A separate OSCR briefing paper on the Barclay Review also drew attention to the potential undermining of Scotland’s charity test: *“There is a sense in which there is a de facto devaluing of the charity status of certain groups of charities that currently have charity status. Allowing the creation of a two tier charity sector, and ultimately maybe more layers, would be messy and could be damaging to the charity brand.”*

SCIS comment to the media was also published on the SCIS website along with other public statements.

SCIS attended a meeting with OSCR on 12 April on the implications for the charity public benefit test in the future. OSCR confirmed that where significant changes of circumstance require them to look again at whether or not a charity (including a fee-charging school) passes the charity test it will continue to make its decision in line with the principles it has previously stated publicly – that is, to look at all the circumstances and evidence relating to the particular charity at the time OSCR assess it. As before, OSCR will look at the whole picture of public benefit in the charity, taking into account the charity’s activities, income, fee levels, mitigation of those fees and other activities providing public benefit. As such, Governing Boards should be including already any predictions and mitigating measures for the proposed business rates increase in 2020.

On 25 June, the Scottish Government published a consultation document on non-domestic (business) rates, which covers the Barclay recommendations that require primary legislation. This includes reforms to empty property relief, independent schools entitlement to charity relief and reform of sports club relief. As relates to independent schools, the consultation is drafted very tightly, and asks only the question “How should independent schools with exceptional circumstances such as specialist music schools be treated?”

There was further press coverage over the summer, following the emergence of a letter from the Finance Secretary to the Deputy First Minister, suggesting that local authorities could alleviate an increase of business rates for any particular sector by using the powers in the Community Empowerment Act 2015.

A meeting between the Director and Chair of SCIS and Kate Forbes MSP, newly appointed Minister for Public Finance and Digital Economy, took place on 12 September. The Minister will be responsible for the passage of the Non-Domestic Rates Bill, which was confirmed in the Scottish Government’s Programme for Government 2018/19, outlined on 4 September. The “Barclay Implementation: A consultation on non-domestic rates reform” closed on 17 September. On 11 October, all (non-confidential) responses were published. Aside from submissions from schools, and some interesting stances from individual local authorities, some of the wider responses addressed independent schools, including those from OSCR, the SCDI, the Law Society of Scotland and the Scottish Chambers of Commerce.

On 2 October, the Welsh Government announced in the draft Budget that it will consult on proposals to put private hospitals and independent schools, which are “exempt” from paying non-domestic rates, on an “equal

# **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

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**for the Year Ended 31 December 2018**

### **ACHIEVEMENTS AND PERFORMANCE (continued)**

footing" with NHS hospitals and state-funded schools. SCIS offered background briefing to the Wales Independent Schools Council (WISC) on the issue of business rates and independent schools, as well as regular briefings to the Independent Schools Council (ISC).

#### **GDPR**

The conditions of the General Data Protection Regulation came in force on 25 May 2018. There was a considerable amount of confusion, divergent interpretation and delay for all bodies affected. Many of the GDPR's main concepts and principles are much the same as those in the current Data Protection Act (DPA), so if schools are complying properly with the current law then most of their approach to compliance will remain valid. All training, guidance, templates and draft policies commissioned by SCIS was placed on the SCIS members' web-site.

#### **Homely remedy protocols**

SCIS issued draft guidance and a template to schools on the use of over-the-counter remedies, following changes in Scottish Government policy on healthcare needs in schools.

#### **Access to free sanitary products**

In August, the Scottish Government confirmed that free sanitary products will be available to pupils, students and learners at schools, colleges and universities across Scotland. SCIS has been in discussion with the Government about the most appropriate means to extend the policy to independent schools if agreed. This may involve some modest central funding, or the availability of products for schools in regional collection points. Individual schools with existing arrangements may not require any further arrangements.

#### **Lobbying (Scotland) Act 2016**

SCIS registered on the new Lobbying Register, held by the Scottish Parliament, which opened on 12 March 2018. SCIS pre-empted its requirements with a "Transparency" page on the SCIS website, following several Freedom of Information requests concerning meetings with the Scottish Government (<http://www.scis.org.uk/about-scis/transparency/>).

#### **Lead in drinking water - Independent schools and nurseries**

The Drinking Water Quality Regulator for Scotland (DWQR) established a project to review policy for the reduction of exposure to lead in drinking water - to strengthen or introduce mechanisms with a range of stakeholders and influencers for the removal of lead service pipes and plumbing. DWQR will request Scottish Water to do an investigation and sampling of these premises and respond to the results by taking appropriate corrective action with SW owned pipework and notify and provide advice to owners of the outcome of the survey.

#### **Scottish Historical Child Abuse Inquiry**

In 2018 Lady Smith amended the Terms of Reference of the Inquiry and it will now report to Scottish Ministers, and make recommendations, as soon as "reasonably practicable". The Inquiry was originally investigating the provision of care by 69 institutions, but in 2018 Lady Smith confirmed that it is in the course of, and will be, investigating a significant number of other institutions. In September 2018 the Inquiry announced that those investigations would extend to 17 further bodies, including Balnacraig School, Perth; the Royal Blind School, Edinburgh; Harmeny School, Edinburgh, Harmeny Education Trust; Donaldson's School for Deaf Children, The Donaldson Trust; and Queen Victoria School, Dunblane.

#### **Scottish Teachers' Pension Scheme**

SCIS sits of the Advisory Board of the STPS on behalf of the independent sector's scheme members. The scheme is an unfunded one, with no fund of assets, so current pension payments are made from current contributions from employers and employees.

The Scottish Public Pension Agency received an updated Valuation of the Scottish Teachers' Pension Scheme from the UK Government Actuarial Department and HM Treasury.

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

The methodology for setting contributions is called the Superannuation Contributions Adjusted for Past Experience (SCAPE) and the rate used in this valuation is called the SCAPE discount rate. At the end of September, the schemes in Scotland and in England and Wales became aware that HM Treasury was amending the SCAPE rate downwards so that the amount employers pay towards the schemes will need to increase. The SCAPE rate is based on the Office of Budget Responsibility's (OBR) long-term projections of GDP growth. The Budget of 2016 announced a reduction in the annual rate from 3.0% above the Consumer Prices Index (CPI) to 2.8% above CPI and a further reduction has now been proposed and confirmed in the 2018 Budget, to take effect from 1 April 2019:

*"The Budget confirms a reduction of the discount rate for calculating employer contributions in unfunded public service pension schemes, to 2.4% plus CPI (in line with established methodology to reflect OBR forecasts for long-term GDP growth). The valuations indicate that there will be additional costs to employers in providing public service pensions over the long-term."*

The initial scheme valuation now proposes an increase of more than 5% to the current rate of employer contributions to the Pension Scheme, due in April 2019. This figure is well ahead of any formal or informal prediction heard in the last 6 months. STPS employer contributions for 2019-20 will be set at 22.4% from 17.2%. As the valuation documentation makes clear, all else being equal, the employer contribution might well have dropped marginally, were it not for HM Treasury's recent decision to reduce the discount rate (a UK Comprehensive Spending Review after 2020 is likely to change the scheme assumptions thereafter).

Employers, including SCIS and COSLA, and teacher unions, made strong representations to the Treasury - as have the ISC, ISBA, TUC and other bodies on the:

- rationale for changing the SCAPE discount rate;
- funding the c.30% higher pension contributions for employers of the STPS;
- impact of breaching the employer cost cap floor.

The increase will have a profound effect on the finances of schools and it is the view of bodies in England and Wales that it threatens the viability of some as the cost of the increased contributions will have to be absorbed within the school's financial plan. Schools of all sizes in England have indicated that the rise may breach existing banking covenants and may not be the correct use of charitable funds. ISBA and ISC have already established a working party with which SCIS is engaged, looking at a range of options, as well as an immediate actuarial review of the conclusions reached by the government actuaries.

The accrual rate (the proportion of salary received for each year's scheme membership) for teachers contributing to the STPS is also likely to change in 2019. Currently at 1/57, the fraction is likely to reduce, leading to an improvement in the pension benefit received on retirement.

#### **General Teaching Council for Scotland**

During 2018, the remit of the working group for Mandatory Teacher Registration was progressed and it was agreed that further meetings would be scheduled on an ad hoc basis. There remain some anomalies and challenges in the system and SCIS has been working with the GTCS to address emergent recurring themes. For example, expressive arts specialists with a dedicated junior school role are currently unable to gain Full Registration.

In a bid to address this, the GTCS have mooted the concept of a Broad General Education (BGE) category which would facilitate the registration of teachers from P1-S3. It is advocated that this could be a potential route for colleagues and SCIS looks forward to this being expedited in 2019. During 2018, SCIS worked closely with one member school to support the development of a bespoke teaching qualification for their context: this remains work in progress. SCIS welcomes the use of the Named School Only category being deployed as a means to facilitate registration for individuals. Whilst this route is appealing to a number of colleagues, in 2018 demand for the joint sector-university developed Teaching Qualification Practitioner Route (TQPR) was high with two cohorts embarking on the programme (January 2018 and September 2018). The TQPR leads to Full Registration and hence has the potential to enhance mobility across the sector.

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

Due to a changing landscape, progress of the Head Teacher Working Group was stalled in 2018, the reasons for this being two-fold:

1. clarity around the Head Teacher Charter; and
2. the revision of the GTCS Professional Standards.

Given the uncertainty, it was advocated that the work of this Working Group be put on-hold, with the GTCS committing to exercising flexibility with individual cases.

Moving forward, SCIS will continue to work closely with the GTCS. The deadline for full Registration remains 1 October 2020. SCIS understands the GTCS may cite an earlier final date for applications to allow for timely processing.

#### **Recording and Monitoring of Bullying Incidents**

SCIS was a member of the Scottish Government's Short-Term Working Group on the Recording and Monitoring of Bullying Incidents in Schools. On 28 May, the Government published "Recording and monitoring of bullying incidents in schools: supplementary guidance".

The guidance states that *"Independent schools are responsible to their own Governing Boards and should have robust recording and monitoring systems in place."* In addition, it states that *"The Scottish Council of Independent Schools (SCIS) and Education Scotland support the advice within 'Respect for All' and recommend that individual schools continue to develop and improve recording and monitoring systems in keeping with their chosen management information system."*

#### **Consultation on Seatbelt Requirements for Dedicated School Transport**

SCIS represented the sector on a working group looking at implementation of the Seatbelts on School Transport (Scotland) Act 2017. The Act came into force on 1 August, with guidance for all schools. Seat belts must now be provided on dedicated school transport in Scotland when travelling to and from school for the start of the 2018/2019 school year.

#### **UK withdrawal from the EU**

Over 2018, SCIS has followed closely the negotiations for the UK's withdrawal from the EU, planned for 2019. Updated briefings have highlighted the potential issues and implications for school, pupils, families and the wider education community – dependent on the nature of the final withdrawal arrangements.

#### **Governing Boards**

SCIS staff took part in several regular or strategy meetings of individual school Governing Boards during 2018, and are always available to do so.

#### **PROMOTING THE SECTOR:**

##### **COMMUNICATION:**

##### **Marketing Vision:**

'To promote choice, diversity and excellence in independent education.'

Over the last year SCIS has been working in collaboration with a PR and Digital agency to support our member schools marketing strategies and to provide a professional service to all our member schools.

The objectives for the 2018 marketing plan are to:

- To change perceptions of independent education amongst the wider public
- To raise awareness of the benefits of an independent education
- To bring new parents (and staff) into independent education in Scotland
- To strengthen the SCIS brand and profile

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

The strategy includes:

- PR to drive awareness of the benefits of an independent education in Scotland
- Content marketing to drive traffic to the SCIS website
- Social media marketing to raise awareness of the benefits of independent education in Scotland and drive traffic to the SCIS website

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Month to month activity has included:

- Manage social media channels with a focus on Facebook, Twitter and LinkedIn
- Develop and manage social campaigns
- Produce and promote regular blog content on the SCIS website
- Produce teacher, parent and headteacher case study 'stories'
- Pitch and draft regular thought leadership opinion pieces

#### **Website and Social Highlights**

There were over 102,000 visitors to the SCIS website in 2018. Top performing pages were:

- Vacancies
- Find a School
- Facts & Figures

#### **Twitter**

SCIS has 3539 followers over 3 Twitter accounts; this is a 16% increase on the 2017 figure.

- @SCISschools
- @SCIScpd
- @ScotBoardSchool

#### **Facebook**

The number of followers on our Facebook page ([www.facebook.com/SCISschools/](http://www.facebook.com/SCISschools/)) has increased by 30% in 2018.

#### **LinkedIn**

This is a new venture for SCIS. It is a vehicle for communicating with professionals in education. SCIS has over 200 followers on LinkedIn.

<https://www.linkedin.com/company/scottish-council-of-independent-schools/>

#### **E-bulletin**

The SCIS e-bulletin is emailed monthly and available to all school staff and governors. The total number of subscribers in 2018 was 1000 a rise of over 20% from 2017 figures. Schools are encouraged to share the bulletin with all members of staff. Individuals may subscribe at <http://www.scis.org.uk/about-scis/>

#### **Building Partnerships**

SCIS is working in partnership with the Boarding School Association (BSA) to promote the boarding sector in Scotland; maximising the potential for knowledge transfer.

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

##### **Enquiries**

The team at SCIS are always available to offer support and professional advice to SCIS member schools and in 2018 took a significant number of enquiries from schools seeking advice and guidance on topics ranging from teacher registration to accessibility, and GDPR.

Prospective and current parents also made contact looking for information and support on a number of issues.

##### **SERVICE TO EDUCATION:**

##### **COLLABORATION WITH KEY BODIES**

Throughout 2017, SCIS has represented the views and concerns of the independent sector on a wide range of bodies, through consultations and at events organised by national bodies for schools, education authorities, care agencies and others:

City of Edinburgh Council Child Protection Committee

Scottish Government:

- Curriculum and Assessment Board
- Strategic Board for Teacher Education
- PREVENT Duty sub-group
- Short-term Working Group Recording and Monitoring of Bullying (RAMBIS)
- Doran - National Commissioning Group
- Third and Independent sector GIRFEC stakeholder group
- Children's Services Short Life Working Group on Carers Act

General Teaching Council Scotland:

- Council
- Education Committee
- Working Group for the registration of teachers in independent and grant-aided schools
- Working Group for the registration of Head Teachers in independent and grant-aided schools
- Professional Learning steering group

Education Scotland:

- External Reference Group – inspections
- Knowledge Into Action Strategic Stakeholder Group

Independent Schools Council (ISC):

- Executives' Group

NHS:

- LICOG Schools subgroup for Scottish Immunisation Programme in Lothian
- Lothian independent school nurses network group

Scottish Teachers' Pension Scheme:

- Scheme Advisory Board
- Technical Working Group

Scottish College for Educational Leadership:

- Stakeholder Forum
- Strategic Oversight Board

Scottish Parliament:

- Cross Party Group on Children & Young People
- Cross Party Group on Sport
- Cross Party Group on Learning Disability

Scottish Qualifications Authority:

- Advisory Council
- SQA/SCIS/SLS joint forum

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

##### **SCIS operations, staff and school membership**

The Governing Board records its appreciation and thanks for the work undertaken by all the staff of SCIS throughout 2018.

The Annual General Meeting, in April 2018, included a Panel Discussion on "Independent Schools – A New Reality" with Mandy Rhodes, Managing Director, Holyrood Communications and Alex Barr, Founding Director, Big Partnership. The AGM was then addressed by Dr Catherine Calderwood, Chief Medical Officer for Scotland on "Has the education system more influence on Scotland's health than the NHS?"

The Annual Dinner was addressed by Allan Little, former BBC Correspondent and Chair of the Edinburgh International Book Festival, on "Getting it Right in the Age of Post-Truth and Fake News".

SCIS updated its range of staff policies in 2018, including the existing grievance policy, in light of best practice.

In 2018 the SCIS Governing Board approved the membership of Mirren Park School in Paisley, and Ochil Tower School in Auchterarder, both independent residential schools.

At the end of the 2017-18 academic year, the Governors of Beaconsfield School, Bridge of Allan, announced the school's closure and entry into administration, with the loss of day 284 pupil places.

In November 2018, the Governors of the New School Butterstone, took the decision to close the school and seek formal administration, with the loss of 20 day and residential places.

SCIS membership remains open to independent schools registered with the Scottish Government which have had satisfactory inspection reports from Education Scotland and the Care Inspectorate.

##### **FINANCIAL RESULTS FOR THE YEAR**

The Audited Accounts for the year ended 31 December 2018 show net expenditure of £59,500 which compares with net income of £2,792 in 2017. This balance was planned as part of the reserves policy (listed below) and achieved on target.

##### **2019 subscription rate**

At its meeting in November 2018, the Governing Board considered the proposals of the Finance and General Purposes Committee met on the SCIS budget and proposals for the school subscription rate for the calendar year 2019. Subsequent to the SCIS subscription level having been reduced twice in recent years, the Board accepted that a new base level had been established.

The Committee's recommendation, approved by the Board, was that the 2019 subscription level remains unchanged from the 2017 figures. This would result in a projected deficit of £18,000.

These figures are:

School age pupil rate:	£10.74	(2015 figure - £11.93)
Nursery pupil rate:	£5.05	(2015 figure - £5.61)
Subscription cap:	£27,000	(2015 figure - £30,000)

SCIS is prohibited by its Memorandum of Association from paying a dividend.

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

#### **RISK, RESERVES AND KEY MANAGEMENT**

##### **Reserves policy**

It is the policy of SCIS to maintain a reserve fund to cover contingencies, unexpected expenditure, development and projects. At 31 December 2018 reserves amounted to £409,088 compared with £468,588 in 2017. This is the approximate equivalent of eight months' operational expenditure.

The Governing Board considers that reserves are required at this level to enable it to manage its ongoing risks in relation to income and expenditure and development plans. The working reserve is held under the direct control of the organisation in an interest bearing account.

##### **Investment policy and objectives**

£263k is invested with Brewin Dolphin investment managers on an income generation basis. The ethical investment guidance for the investments requires that "The Charity's assets should be invested in line with its aims and objectives." SCIS holds a further £55k in an interest bearing account to which SCIS has immediate access.

##### **Risk management**

SCIS maintains a Risk Register which looks at threats to the organisation under four main headings – Governance, Financial, Assets, and Personnel. The Register is updated regularly by the Director and is a standing item for consideration by the Governing Board and each meeting.

#### **PLANS FOR FUTURE PERIODS**

There are key educational and regulatory issues requiring continued focus in 2019. First of these is the anticipated withdrawal of the UK from the EU – which will affect teachers, families, suppliers and schools. SCIS will continue to work with schools and the GTCS on the completion of the full registration of teachers and heads. The proposed primary legislation for the implementation of the Barclay Review on Business Rates recommendation for independent schools will be a key focus. Where necessary, SCIS will work closely with schools as the Scottish Child Abuse Inquiry continues through 2019. SCIS will be working with schools, national associations and the Information Commissioner's Office to ensure accurate and timely implementation of the General Data Protection Regulation up to and beyond its coming into force in May 2018.

SCIS is negotiating an extension to the current lease on 4th floor, 61 Dublin Street, which expires in April 2019.



## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Reference and Administration Information**

The Scottish Council of Independent Schools (SCIS) was established as a company limited by guarantee and is governed by the provisions of its Memorandum and Articles of Association of 1990, as amended in March 1991, March 2005 and April 2008. SCIS was granted charitable status in 1990 and was entered on the Scottish Charity Register in 2006.

The registered address of the charity, the present members of the SCIS Governing Board, the SCIS staff and key professional advisors are shown on pages 1 and 2.

### **Governing Board**

In accordance with the Articles and Association, members of the Governing Board are elected by the member schools at the SCIS Annual General Meeting, normally held in March or April. A maximum of 15 elected members constitutes the Governing Board, the Chair of which can be either a member of the Board or a person appointed by the Board, additional to its members. The Board has the power to appoint up to 3 co-opted members, creating a maximum Board of 18 members plus a Chair.

Nominees for election to the Board have to be Governors, Heads/Chief Executives or Bursars (or the equivalent) of member schools. Given the diversity of the SCIS membership and the Board's wish to be as representative as possible, schools are asked to bear in mind the geographical spread of schools, the different types of school and the experience and skills of Board members, when submitting nominations for election. If there are more nominations than places, a ballot is held at the Annual General Meeting under the supervision of SCIS's legal advisors.

### **Key Management**

The Governing Board consider that they, together with the Director, John Edward assisted by 2 Deputy Directors – Alison Herbert and Margaret Lannon comprise the key management personnel, along with Alison Newlands, Finance & Research Manager.

The Governors give their time freely. The pay and remuneration of the senior staff is set following annual staff reviews conducted by the Director, in line with a series of parameters and as part of a salary scale established by the Finance and General Purposes Committee.

### **Organisation Structure**

The SCIS Governing Board meets at least four times a year. Board meetings focus on the main educational, regulatory, political and legal developments in the independent sector as well as key issues for SCIS itself. The Director and Governing Board are responsible for the decision making process at SCIS.

The delegated Finance and General Purposes Sub-Committee consists of members appointed from and by the Board. It meets on a regular basis during the academic year, handles SCIS staff matters, makes recommendations to the Board, supports and advises the Director, monitors SCIS finances and generates new initiatives for consideration by the Board. The Director and the staff at SCIS are responsible for implementing decisions and for the day-to-day operation of SCIS.

The Director is able to consult the Chairman of the Governing Board, the Chairman of the Finance and General Purposes Committee and the Hon Treasurer at any time; and the Director and staff receive considerable support throughout the year from members of the Board and the Finance and General Purposes Committee and from the Heads and Bursars of member schools.

# **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

## **REPORT OF THE GOVERNING BOARD**

**for the Year Ended 31 December 2018**

### **Governing Board Members' Responsibilities Statement**

The Governing Board, who are directors for the purpose of company law and trustees for the purpose of charity law, is responsible for preparing the Report of the Governing Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governing Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the members of the Governing Board are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

### **Disclosure of information to auditor**

In so far as the members of Governing Board are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the members of the Governing Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Small company exemptions**

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Governing Board on 28 March 2019 and signed on their behalf by:



**Alan Hartley**  
Chairman of Governing Board

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNING BOARD OF THE SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

**For the year ended 31 December 2018**

#### **Opinion**

We have audited the financial statements of Scottish Council of Independent Schools for the year ended 31 December 2018 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the 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 charitable company's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

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

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

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

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNING BOARD OF THE SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

**For the year ended 31 December 2018**

#### **Other information (continued)**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Governing Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governing Board has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Board.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members of the Governing Board remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members of the Governing Board were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Report of the Governing Board and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

#### **Responsibilities of the members of the Governing Board**

As explained more fully in the Governing Board members' responsibilities statement set out on page 16, the members of the Governing Board (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Governing Board 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 members of the Governing Board are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the Governing Board either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNING BOARD OF THE SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

**For the year ended 31 December 2018**

#### **Auditor's responsibilities for the audit of the financial statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's members and members of the Governing Board, 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 charitable company's members and members of the Governing Board, 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 charitable company's members and members of the Governing Board, as a body, for our audit work, for this report, or for the opinions we have formed.



**Jennifer Alexander (Senior Statutory Auditor)**

**For and on behalf of**

**Scott-Moncrieff, Statutory Auditor**

**Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006**

**Chartered Accountants**

**Exchange Place 3**

**Seample Street**

**Edinburgh, EH3 8BL**

**Date: 28 March 2019**

# SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS

## STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure Account) for the Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Income from:</b>			
Charitable activities	3	491,564	473,313
Other trading activities	4	61,080	67,921
Investments		7,585	8,711
<b>Total</b>		<u>560,229</u>	<u>549,945</u>
 <b>Expenditure on:</b>			
Raising funds		8,641	16,130
Charitable activities	5	587,716	546,731
<b>Total</b>		<u>596,357</u>	<u>562,861</u>
 Net (loss)/gains on investments		<u>(23,372)</u>	<u>15,708</u>
 <b>Net (expenditure)/income and net movement in funds</b>	8	<u>(59,500)</u>	<u>2,792</u>
 <b>Reconciliation of funds:</b>			
Total funds brought forward		<u>468,588</u>	<u>465,796</u>
<b>Total funds carried forward</b>		<u>409,088</u>	<u>468,588</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure is unrestricted and derived from continuing operations.

The notes on pages 23 to 33 form part of these financial statements

# SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS

## BALANCE SHEET as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	8,872	13,958
Investments	11	262,874	288,515
		<u>271,746</u>	<u>302,473</u>
<b>Current assets</b>			
Debtors	12	65,490	67,784
Bank and cash		95,873	120,388
		<u>161,363</u>	<u>188,172</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	13	(24,021)	(22,057)
		<u>137,342</u>	<u>166,115</u>
<b>Net current assets</b>			
		<u>409,088</u>	<u>468,588</u>
<b>Net assets</b>			
		<u>409,088</u>	<u>468,588</u>
<b>The funds of the charity</b>			
Unrestricted funds		<u>409,088</u>	<u>468,588</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved and authorised for issue by the Governing Board on 28 March 2019 and signed on their behalf by:



**Alan Hartley**  
Chairman of the Governing Board



**Jeremy Harper**  
Treasurer

**Company Registration No SC125368**

The notes on pages 23 to 33 form part of these financial statements

# SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS

## STATEMENT OF CASH FLOWS for the Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Net cash (used in)/provided by operating activities	15	(30,931)	28,444
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		7,585	8,711
Purchase of equipment		(3,438)	(15,115)
Purchase of investments		(12,450)	(15,943)
Proceeds from sale of investments		12,889	18,707
<b>Net cash flow provided by/(used in) investing activities</b>		<b>4,586</b>	<b>(3,640)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(26,345)</b>	<b>24,804</b>
Cash and cash equivalents at the beginning of the reporting period		124,129	99,325
Cash and cash equivalents at the end of the reporting period		97,784	124,129
<b>Represented by:</b>			
Cash held at bank		95,873	120,388
Cash held as part of investment portfolio		1,911	3,741
Cash and cash equivalents at the end of the reporting period		97,784	124,129

The notes on pages 23 to 33 form part of these financial statements



# **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2018**

### **1. Accounting policies**

#### **General information**

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2018.

The principal activity of Scottish Council of Independent Schools is to represent and promote the interests of independent schools across the country.

Scottish Council of Independent Schools is a charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC018033. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 2 of these financial statements.

Under the memorandum of association of the company, the liability of each member of the company (74 members in 2018; 75 members in 2017) is restricted to a maximum of £1.

#### **Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council, 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)" and the Companies Act 2006 and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scottish Council of Independent Schools meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Governing Board 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 including a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies adopted in the financial statements are set out below.

#### **Recognition and allocation of income**

Incoming resources are recognised when the charitable company has legal entitlement, there is sufficient certainty of receipt, so it is probable that income will be received, and the amount of the income receivable can be measured reliably. Where practicable, income is related to the operating activities of the charitable company.

Subscription income is recognised in the year to which the subscription relates to. In the event of subscriptions being received in advance these are deferred and released into the year in which they relate.

Course income is recognised in the year in which the event has taken place. In the event of income being received in advance this is deferred and released in the year in which the event takes place. Any income not received in the year in which an event takes place is accrued at the year end.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

## **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended 31 December 2018**

#### **1. Accounting policies (continued)**

##### **Recognition and allocation of expenditure**

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

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to allocation of support and governance costs below.

##### **Allocation of support and governance costs**

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice. These costs include costs related to the statutory audit together with an apportionment of staff costs relating to the governance of the charitable company.

##### **Costs of raising funds**

The costs of generating funds consist of investment management fees and advertising costs.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment. Only tangible fixed assets costing greater than £1,000 are capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of furniture and equipment evenly over its expected life of between 4 and 10 years.

##### **Going concern**

The Governing Board has reviewed the charitable company's forecasts and plans, taking into account the current level of cash, and is confident that the charitable company has sufficient resources to remain in operational existence for the foreseeable future and so have continued to prepare the accounts on the going concern basis.

##### **Debtors**

Short term debtors are measured at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

##### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances with banks and investment managers with a short maturity of three months or less.

##### **Creditors**

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

# **SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended 31 December 2018**

### **1. Accounting policies (continued)**

#### **Financial assets and financial liabilities**

Financial instruments are recognised when the charitable company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below.

Financial instruments are all classified as 'basic' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, they are measured at amortised cost using the effective interest rate method, other than investments which are recognised initially at cost and subsequently at fair value which is normally mid-market value. Gains and losses on disposal and revaluation of investments are charged or credited to the statement of financial activities in the period to which they relate.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charitable company 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.

#### **Pension scheme contributions**

The charitable company operates defined contribution pension schemes for its staff through both a Group Personal Pension Scheme and individual pension schemes, the assets of which are held separately from those of the charitable company in independently administered schemes. Pension costs charged in the financial statements represent the contributions payable by the company in the year.

### **2. Critical accounting judgements and estimates**

In the application of the charitable company's accounting policies, the Governing Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with the next financial year are depreciation of fixed assets.

The Governing Board is satisfied that the depreciation rates used are appropriate for each class of asset.

**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended 31 December 2018**

**3. Income from charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Subscriptions receivable	322,619	322,107
Course income	168,945	151,206
	<u>491,564</u>	<u>473,313</u>

**4. Income earned from other trading activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Commission	24,904	29,221
Advertising income	20,899	25,373
Exhibitors stand income	9,181	7,464
AGM dinner income	3,140	2,930
Website income	2,956	2,933
	<u>61,080</u>	<u>67,921</u>

**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended 31 December 2018**

**5. Analysis of expenditure on charitable activities**

<b>2018</b>	<b>Basis of allocation</b>	<b>Support guidance and advice £</b>	<b>Continuing professional development £</b>	<b>Information &amp; public relations £</b>	<b>Total 2018 £</b>
Staff costs	Staff time	166,366	83,184	83,183	332,733
Courses, materials and publications	Direct	6,657	128,731	13,475	148,863
Travelling, meetings and AGM	Direct	15,786	-	-	15,786
Depreciation	Staff time	4,262	2,131	2,131	8,524
Irrecoverable VAT	Staff time	9,487	4,744	4,744	18,975
Support costs	(see note 6)	24,391	12,196	12,196	48,783
Governance costs	(see note 7)	7,026	3,513	3,513	14,052
		<u>233,975</u>	<u>234,499</u>	<u>119,242</u>	<u>587,716</u>
		<u><u>233,975</u></u>	<u><u>234,499</u></u>	<u><u>119,242</u></u>	<u><u>587,716</u></u>
<b>2017</b>	<b>Basis of allocation</b>	<b>Support guidance and advice £</b>	<b>Continuing professional development £</b>	<b>Information &amp; public relations £</b>	<b>Total 2017 £</b>
Staff costs	Staff time	162,757	81,379	81,378	325,514
Courses, materials and publications	Direct	4,500	107,964	2,624	115,088
Travelling, meetings and AGM	Direct	17,377	-	-	17,377
Depreciation	Staff time	3,832	1,916	1,916	7,664
Irrecoverable VAT	Staff time	9,329	4,665	4,665	18,659
Support costs	(see note 6)	24,386	12,193	12,193	48,772
Governance costs	(see note 7)	6,829	3,414	3,414	13,657
		<u>229,010</u>	<u>211,531</u>	<u>106,190</u>	<u>546,731</u>
		<u><u>229,010</u></u>	<u><u>211,531</u></u>	<u><u>106,190</u></u>	<u><u>546,731</u></u>

**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended 31 December 2018**

**6. Allocation of support costs**

<b>2018</b>	<b>Basis of allocation</b>	<b>Support guidance and advice £</b>	<b>Continuing professional development £</b>	<b>Information &amp; public relations £</b>	<b>Total 2018 £</b>
Premises	Staff time	15,804	7,903	7,903	31,610
Other	Staff time	8,587	4,293	4,293	17,173
		<u>24,391</u>	<u>12,196</u>	<u>12,196</u>	<u>48,783</u>

<b>2017</b>	<b>Basis of allocation</b>	<b>Support guidance and advice £</b>	<b>Continuing professional development £</b>	<b>Information &amp; public relations £</b>	<b>Total 2017 £</b>
Premises	Staff time	15,563	7,782	7,782	31,127
Other	Staff time	8,823	4,411	4,411	17,645
		<u>24,386</u>	<u>12,193</u>	<u>12,193</u>	<u>48,772</u>

**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended 31 December 2018**

**7. Governance costs**

<b>2018</b>	<b>Basis of allocation</b>	<b>Support guidance and advice £</b>	<b>Continuing professional development £</b>	<b>Information &amp; public relations £</b>	<b>Total 2018 £</b>
Staff Costs	Staff time	5,146	2,573	2,573	10,292
Audit and accountancy	Direct	1,880	940	940	3,760
		<u>7,026</u>	<u>3,513</u>	<u>3,513</u>	<u>14,052</u>

<b>2017</b>	<b>Basis of allocation</b>	<b>Support guidance and advice £</b>	<b>Continuing professional development £</b>	<b>Information &amp; public relations £</b>	<b>Total 2017 £</b>
Staff Costs	Staff time	5,035	2,516	2,516	10,067
Audit and accountancy	Direct	1,794	898	898	3,590
		<u>6,829</u>	<u>3,414</u>	<u>3,414</u>	<u>13,657</u>

**8. Net (expenditure)/income for the year**

	<b>2018 £</b>	<b>2017 £</b>
<b>This is stated after charging:</b>		
Operating lease rentals	29,752	31,243
Depreciation	8,524	7,664
Auditor's remuneration	3,760	3,590
	<u>          </u>	<u>          </u>

# SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

### 9. Board and staff costs

	2018	2017
	£	£
Staff costs:		
Salaries	271,646	264,897
Social Security costs	29,932	30,345
Pension costs	41,447	40,339
	<u>343,025</u>	<u>335,581</u>

The pension cost charge represents contributions payable by the company to the funds.

The average number of persons employed was 7 (2017:6).

The number of higher paid employees fell within the following bands:

	2018	2017
£60,000 - £70,000	1	1
£90,000 - £100,000	<u>1</u>	<u>1</u>

No member of the Governing Board received any remuneration nor reimbursement of expenses for their services in either the current or prior year. The total amount of employee benefits received by other key management personnel is £309,748 (2017: £293,979).

### 10. Tangible fixed assets

	Furniture & Equipment £
<b>Cost</b>	
At 1 January 2018	51,023
Additions	3,438
Disposals	(19,843)
At 31 December 2018	<u>34,618</u>
<b>Depreciation</b>	
At 1 January 2018	37,065
Charge for the year	8,524
Depreciation on disposals	(19,843)
At 31 December 2018	<u>25,746</u>
<b>Net book value</b>	
31 December 2018	<u>8,872</u>
31 December 2017	<u>13,958</u>



**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended 31 December 2018**

**11. Fixed asset investments**

	<b>2018</b>
	<b>£</b>
Listed investments:	
Opening fair value	284,774
Additions	12,450
Disposals	(13,525)
Net losses on revaluation	(22,736)
	<hr/>
Closing fair value	260,963
Cash balances	<hr/> 1,911
	<hr/>
Market value at 31 December 2018	<u>262,874</u>

**12. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Prepayments	30,220	34,982
Other debtors	35,270	32,802
	<hr/>	<hr/>
	<u>65,490</u>	<u>67,784</u>

**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended 31 December 2018**

**13. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Creditors and provisions	3,831	1,747
Accruals	3,700	3,590
Deferred income (see below)	3,428	3,360
Taxation and social security costs	13,062	13,360
	<u>24,021</u>	<u>22,057</u>

<b>Deferred income</b>	<b>Balance at 1 Jan 18</b>	<b>Released in year</b>	<b>Deferred in year</b>	<b>Balance at 31 Dec 18</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
AGM sponsorship	3,360	(3,360)	3,428	3,428
	<u>3,360</u>	<u>(3,360)</u>	<u>3,428</u>	<u>3,428</u>

<b>Deferred income</b>	<b>Balance at 1 Jan 17</b>	<b>Released in year</b>	<b>Deferred in year</b>	<b>Balance at 31 Dec 17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
AGM sponsorship	3,500	(3,500)	3,360	3,360
	<u>3,500</u>	<u>(3,500)</u>	<u>3,360</u>	<u>3,360</u>

**14. Financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Financial assets at fair value: investments	260,963	284,774
Financial assets at amortised cost	129,543	154,296
Financial liabilities at amortised cost	7,531	5,337
	<u>498,037</u>	<u>444,407</u>

Financial assets at amortised cost comprise trade and other debtors, and cash held at the bank and as part of the investment portfolio.

Financial liabilities at amortised cost comprise creditors and accruals.

**SCOTTISH COUNCIL OF INDEPENDENT SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the Year Ended 31 December 2018**

**15. Reconciliation of net income to net cash flows from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net (expenditure)/income for the year</b>	(59,500)	2,792
<b>Adjustments for:</b>		
Depreciation	8,524	7,664
Gains on investments	23,372	(15,708)
Dividends and interest from investments	(7,585)	(8,711)
Decrease in debtors	2,294	47,186
Increase/(decrease) in creditors	1,964	(4,779)
<b>Net cash (used in)/provided by operating activities</b>	<b>(30,931)</b>	<b>28,444</b>

**16. Financial commitments**

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

	<b>2018</b>		
	<b>Buildings</b>	<b>Other</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Not later than one year	7,185	4,279	11,464
	<u>7,185</u>	<u>4,279</u>	<u>11,464</u>
	<u><u>7,185</u></u>	<u><u>4,279</u></u>	<u><u>11,464</u></u>
	<b>2017</b>		
	<b>Buildings</b>	<b>Other</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Not later than one year	24,633	6,317	30,950
Later than one year and not later than five years	7,185	4,279	11,464
	<u>31,818</u>	<u>10,596</u>	<u>42,414</u>
	<u><u>31,818</u></u>	<u><u>10,596</u></u>	<u><u>42,414</u></u>

**17. Related parties**

There were no related party transactions during the year.

