

Charity registration number SC018423 (Scotland)

Company registration number SC043810

LATHALLAN SCHOOLS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

LATHALLAN SCHOOLS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|----------------------------------|------------------------------------------------------------------------------------------|
| Directors | M Anderson G Calder D Cowie J Forbes G Leslie L Taylor |
| Secretary | E Foster |
| Charity number (Scotland) | SC018423 |
| Company number | SC043810 |
| Registered office | Brotherton Castle Johnshaven Montrose Angus DD10 0HN |
| Auditor | A.J.B. Scholes Ltd 75 High Street Laurencekirk AB30 1BH |
| Bankers | Royal Bank of Scotland Brothock Bridge Arbroath DD11 1NP |
| Solicitors | Ledingham Chalmers LLP Johnstone House 52 - 54 Rose Street Aberdeen AB10 1HA |

LATHALLAN SCHOOLS LIMITED

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LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2025

The directors present their annual report and financial statements for the year ended 31 July 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

The charity's objectives are to provide education as a school and other educational activities.

The aim of the charity is to provide high quality, independent education for boys and girls from a few weeks old to 18 years of age.

The policy adopted in furtherance of these objects is to operate a senior school, junior school and nursery at Brotherton Castle. As well as the provision of a high standard of all round education, the school has also continued to provide a wide range of extra-curricular activities. Educational activities are also hosted during holidays.

The running of the school is assisted by the time devoted to it by directors and parents.

Public Benefit

The directors wish the education at Lathallan to be available to as wide a range of pupils as possible, including those whose families could not otherwise afford the fees. This is done by means-tested fee discounts, including a number of 100% discounts. These are awarded after a means-testing process, repeated annually to ensure that Lathallan is meeting its charitable objectives.

Scholarships are also provided through an annual scholarship examination and for other purposes, based on ability. There are also discounts for siblings, staff children and children of armed forces personnel.

Details of scholarships and other discounts are published through various sources.

Lathallan - A Sense of Place

The notion that a physical space can evolve into something far deeper - a place that truly matters - is a sentiment that resonates powerfully across our community. With almost a century of history, tradition, and distinct character, Lathallan provides our young people with that essential sense of place in a rapidly changing world. Here, location takes on a whole new meaning, it becomes special, a foundation for growth and belonging.

Lathallan is, fundamentally, a school of opportunity, a setting where every pupil is supported, and challenged to achieve their full potential. This year, our pupils have continued to achieve in the areas that matter - not only academically but also in character, contribution, and creativity. We remain committed to the key four pillars of our Centenary Strategy - wellbeing, community, environment, and wisdom, which guide the unique experience we offer.

We value our small school size as it ensures every pupil is truly known by name and nature. We know that when children are emotionally supported, well-guided, and intellectually engaged, their learning becomes both deeper and more durable. We're a learning community, a place where curiosity is celebrated, individuality is nurtured, and the whole child is seen, heard, and understood.

We believe in creating an environment where children are not only stretched academically but also feel known, safe, and trusted. For us, wellbeing isn't merely an add-on to academic success, it is the precondition of it. Only when children feel secure and happy can they take on challenges, embrace feedback, and develop the independence they need to thrive.

LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

In all their endeavours, Lathallians give of their best and make the most of the wealth of opportunities this school presents. They are inspired to actively participate and aim high while understanding what it means to be a good person and to give back. Our motto, "Vincit qui se vincit" (they who conquer themselves conquer all), remains the bedrock of our belief in the importance of personal development.

Lathallan's academic results remain strong, and every leaver goes on to higher education, apprenticeships, or meaningful employment. Also, two professional athletes who are already world champions in a departing S6 year group of less than 25 has to also be a record! But what matters most to us is that they are all grounded, kind, resilient, and confident young people who are destined for great things beyond their time here.

Achievements and performance

As we approach our Centenary in 2030, our focus remains on delivering an extraordinary education that sets us apart and providing a sense of place for our young people. Our Centenary Strategy pillars of activity, encompassing Wellbeing, Community, Environment, and Wisdom underpin everything we do. Notable achievements in those areas are detailed below.

Wisdom

During the year, Lathallan maintained its Gold Learning Outside the Classroom quality mark and is the only all-through school in Scotland to hold this award. Lathallan is seen as a leader in this area with our staff supporting other schools on their own LOTC journey.

Learning Outside the Classroom happens every day across the school grounds but valuable learning opportunities occur on trips beyond the school's boundaries. This year some subject related excursions have included S2's cross-curricular trip to Edinburgh, the senior school Modern Studies trip to Peterhead Prison, and junior pupils at the pantomime, Aberdeen Science Centre, Techfest, Crannog Centre, Verdant Works, Bannockburn, the Winter Gardens, Montrose Air Museum, Dynamic Earth and the Scottish Parliament.

Other trips across our community included our nursery pupils sand sledging at Lunan Bay, and residential trips to Lunan House for S6, Lakeside in the Lake District for J4 to S2, a combined senior and junior ski trip to Italy, sports tours to Biarritz (rugby) and Malaga (netball), outdoor adventures in Glenshee for J7, and a cultural trip to Paris for seniors. All this happens alongside panoply of outdoor education adventures during term time: cycling, canoeing, climbing and navigating through the terms with a round of Duke of Edinburgh (DofE) expeditions at the end of the year.

Maths throughout the school has continued to achieve great results with Sumdog success amongst our junior pupils to senior award winners in the Maths Kangaroo, Intermediate Maths Challenge and Mathematical Olympiad for Girls.

In Science and STEM we now have 17 pupils who have achieved Young STEM leader certificated status through the externally verified SSERC programme. Their work with the mini STEM club for J1-4 is to be commended. Two of our junior pupils reached the regional final of a junior engineering competition.

We continue to see improvements in literacy levels throughout the school with the accelerated reader scheme, paired reading on our senior school, S1 Once Upon a Time awards and the senior school reading challenge all clearly making a difference. Newly introduced 'Talk for Writing' in the junior school is also supporting our literacy development.

The importance of play as part of our learning experience cannot be underestimated and our junior school have this year revisited their practitioner enquiry into play to create a play strategy. At the other end of the learning spectrum we continue to enhance our curriculum for our oldest learners with a formal qualification in Heritage under development.

Senior Personal Development Afternoons this year have included the options of ice skating, shooting, football, tennis, school show, art, Pipers café, junior swimming, Warhammer and work experience. Film club, book club, art club, farm club, choirs, song and dance, library, archery and fly fishing have also added to the overall learning experience outside of the classroom at lunchtime and after school for junior and senior pupils.

LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Environment

Our Junior School pupils engaged in participatory research with a PhD Researcher from the Glasgow School of Art, exploring sustainability education in Scotland and New Zealand.

Our weekly Junior Eco Club's activities included establishing a 'Bee Line' and a 'bug area' in the grounds, and successfully running our first plant swap event and Ragbag collections. Our Eco Clubs continue to highlight and support our ecological code and agenda – bird watching, energy drives, farm & the fork presentations, creating wild flower seed bombs, hanging baskets from recycled bottles, hatching stick insects and running litter picks. We marked Earth Day with our first-ever Plant Party, hosted by the Eco Clubs.

We take seriously our custodianship of 62 acres of unique coastal landscape, which serves as an extensive outdoor classroom. To care for this resource, we introduced whole-school Conservation Days. These events unite the entire community, pupils, teachers, and staff, in meaningful, hands-on work, including tidying, weeding, spreading compost and planting.

Our commitment to biodiversity and community is strong. Our J7 pupils collaborated with Johnshaven Primary School to plant a community orchard of 12 fruit trees, supported by Aberdeenshire Council's Greenspace project, to provide free fruit for the community. The J7s also planted over 1000 bulbs with the primary school and contributed to wider conservation through a litter pick as part of the Marine Conservation Society's Great British Beach Clean. Their participation in the John Muir Award involves devoting time to conserving the environment, including a day of service.

Our ecological pledge runs through to 2030, we have achieved our Green Eco flag for the 17th consecutive year and the Headmaster represents Scottish Independent Schools on the ISC Sustainability Group. Our farm to fork agenda continues to develop in tandem with the development of our grounds and budding relationships with local suppliers.

We have had junior sponsored walks, a Mountain Day, a fishing trip, and outdoor education on Fridays. S1 & S2 outdoor education days have led to NNAS qualifications and Duke of Edinburgh Bronze, Silver and Gold Expeditions have all taken place. With the ski trip to Austria and adventure activity week in the Lake District; nearly every pupil has had a "traditional" outdoor education experience this year.

The ethos underpinning every activity is to encourage our pupils to explore wild places safely and responsibly. These experiences, from local hill walks to multi-day, remote expeditions, instil a deep seated adventurous spirit and furnish our young people with invaluable skills in resilience, leadership, and a profound respect for the natural world, preparing them for a lifetime of exploration.

Wellbeing

At Lathallan, we believe that sport and outdoor activities are fundamental to developing the skills for life. Whether striving for a personal best or contributing to a team victory, our pupils embrace challenge, build self-belief, and learn the true value of teamwork. This year has been a testament to that ethos, defined by record-breaking performances and a vibrant culture of participation across all age groups.

Our core sports programs saw significant progression on the national stage this year. The netball squad continued to reach new heights, with a record seventeen girls selected to play with district teams. Competitive results were equally impressive as the U16s secured 2nd place in the Aberdeen league while our Senior team (S4–S6) reached the National Plate Quarter Finals. The rugby program also enjoyed a standout year, key highlights including the S3 squad securing the Angus Schools 7s title and our U16s reaching the Quarter Finals of the Scottish Rugby Scottish Schools Cup as well as winning the Lathallan 7s tournament. Individual excellence was recognised as well, with nine U16 pupils representing Caledonia.

In Athletics, we retained the Blairmore Athletics Cup and at the Scottish Schools Athletics Association Championships, Lathallan achieved Silver medals in Javelin, Long Jump, and Pole Vault, along with an additional Bronze in Javelin. Further success followed at the Fettes athletics meet, where we achieved over 30 medals. Notably, the U13 Girls relay team shattered the event record during their victory, the U10 Boys sprinted home to a relay win, and one pupil was recognised with the Girls' Performance of the Day award. The success continued in Cross Country, where the Merchiston Relay event saw our J4 team set a new course record, while the J5 and J7 boys' teams secured championship wins at the Albyn Invitational.

LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

Our developing sports, including hockey and football, expanded their competitive fixture lists and showcased growth in participation and achievement across both senior and junior levels.

At an individual level an S6 pupil cemented his status among the UK's elite swimmers - he now holds eight GB records. In rowing one pupil was selected for the prestigious British Olympic Development Pathway meanwhile an S6 cyclist gained significant international exposure, representing Team GB in both track and road cycling at various European and World Championship events. An S5 pupil was selected for the Scotland team for the U18 Mountain Running Cup in Slovakia. An S3 footballer plays for Aberdeen FC's U17s, he earned his first international call-up this year for the Scotland U16 training camp. An S4 freestyle skier has been training with the Snowsports Scotland Development team and recently spent time in Austria for the World Rookie Tour, joining a global community of freestyle skiers for high-level training and competition.

Away from the sports field Peer Mentors and pastoral leads in the junior school continue to play a vital role in supporting their classmates. They can offer their peers guidance on how to cope with difficult emotions and situations, signpost fellow young people to appropriate sources of support, and act as a sounding board for ideas and concerns.

Our staff make it a priority to know every child personally, keeping a close eye on both their academic and personal progress. This level of care depends on a trusting, honest relationship between school and home. We encourage parents to be an active part of school life, and our Headmaster maintains an "open door" policy to ensure communication remains straightforward and accessible. If a student is faced with a challenge, they always have someone to turn to - whether that is a Teacher, Houseparent, Personal Tutor, Peer Mentor, or the school Matrons.

The Personal, Social, Health, and Emotional (PSHE) programme is an essential part of our curriculum. Rather than just ticking boxes, the programme aims to give students a real-world understanding of the challenges they might face. We focus on building practical skills like resilience, healthy decision-making, and risk assessment, helping students develop the strategies they need to navigate life with confidence.

Community

The Junior and Senior Pipeband have been outstanding this year at the Mini Highland Games, Armistice Day parade in Montrose, Inverurie Christmas lights switch-on, Scottish Schools Pipeband Championships, Rugby 7s and Ballater Highland Games as well as their traditional performances at our Christmas carol concert and on Presentation Day.

Senior and Junior Choirs have again been magnificent in and outside of school with over a third of our senior pupils now singing with the choir. A particular musical highlight this year was our first ever whole school show, *Oliver Jr.* and *A Night at the Musicals*, which successfully brought together pupils from both the Junior and Senior schools. Opportunities such as junior school shows and assemblies exist for all pupils to perform on stage from their very earliest years at Lathallan.

Our community is in many parts but one really important section is the boarding house and it has been a joy to see all the activities and trips undertaken by them this year with our International Students bringing both enthusiasm and new friendships with them. Although the primary focus of our boarding house is on care and ensuring academic progression, comradery and shared experience is a vital part of our boarding offering.

S3's Wood Foundation YPI groups looked to our local community to give support to different charitable groups with the positive impact already being felt. Sunrise Partnership was our winning charity this year. Our philanthropic effects have seen sponsored walks, coffee mornings and volunteering to support local charities

The launch of our Lathallan News TV programme has provided our community with a weekly broadcast providing perspectives and insider scoops on school life. Directed and produced by senior pupils, the programme ensures the school community stays both informed and entertained.

LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Our community extends far beyond our pupils, with our parental body playing an active part in school life as well as our alumni who keep giving back to the school. Lathallan supports local schools and community organisations, with a close relationship with Benholm Mill as part of our PDA. Developing links with schools in Pakistan and Germany show the school's community expanding far beyond national borders and our international boarders make Lathallan a truly cosmopolitan community.

Academic Attainment

There are many factors which underpin pupils' academic successes, and the school has worked hard to create and maintain the conditions that allow all pupils to thrive and to achieve their potential. This work starts while pupils are still in the Nursery School and continues until they leave us at the end of the Senior School.

We have successful and developing links with local primary schools and nurseries and an ever-improving transition programme that enables senior staff to build up detailed profiles of all pupils coming into S1, and to work alongside Junior School teachers to provide curricular and social/emotional support to those who require it. This support is evident in Junior and Senior Schools and is supplemented in a number of ways, including:

- Baseline assessments and ability profiling using standardised tests (SOFA) across the junior school, the results of which allow tailored support and challenge for all pupils
- MidYis in S1 for pupil tracking and monitoring future performance
- Target-setting with pupils, through reports, PSHE & Academic tutorials
- Benchmarking in literacy and numeracy
- Regular monitoring and tracking of performance (internal benchmarking)
- Effective use of ongoing assessments
- Targeted learning and study skills in PSHE

Flexibility in the curriculum ensures that pupils are able to follow courses that are appropriate to their abilities and prior attainments. This flexibility is evident in the range of courses available at key transition points, often on an individual basis.

As a small non-selective school results will vary from year to year, however, what is perhaps more important is that each individual achieves the best possible outcome for them, whatever that grade might be. We are confident, through MidYIS (predictive testing in S1 for results in S4 at National 5 run by the University of Durham) and internal tracking, that our pupils are doing this.

Another strong year of exam performance showed nearly every pupil sitting exams had MidYis percentages in line with or above expected grades in all subjects. At National 5 we had an 84% pass rate with a record 58% at grade A. At Higher level our S5 pupils had a 84% pass rate with 68% of pupils gaining 3 or more Highers. Three pupils gained straight A grades at Higher, with one pupil gaining 3 As at Advanced Higher. All of our leavers gained the necessary grades to attend a university of their choice.

Financial review

The surplus for the year ended 31 July 2025 was £133,598 (2024 - deficit £28,142). Pupil numbers remained high over the course of the year which contributed to the outturn position. Inflationary pressures across the economy continue to have an impact.

The school's business and operating plans have the key objective of improving financial performance and robustness. Amongst other initiatives, these plans are aimed at increasing the pupil roll, managing financial risks and known cost pressures; and ensuring fees remain affordable to parents following on from the introduction of VAT on private school fees. The directors consider that the school's financial position is sound and will continue to exercise sound financial planning and control.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level that is prudent to support future activities. Total reserves stood at £2,055,415 (2024: £1,921,817), of which £1,827,174 (2024: £1,683,429) were unrestricted and fair value reserves. The nature of charities such as this is that substantial amounts are invested in assets used for the educational purpose, rather than being 'free reserves' as defined by the SORP. There was no major capital expenditure during the year. Tangible fixed assets at the year end were £2,572,397 (2024: £2,599,446).

LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Major risks

Risk management

The directors are responsible for the management of risks faced by the school and have risk review procedures in place. Through these processes the directors are satisfied that the major risks identified have been adequately mitigated where necessary. The key procedural controls are:

- Comprehensive strategic and operational planning, budgeting, management control and financial reporting conducted during Board meetings
- Clear, structured lines of reporting
- Clear authorisation and approval at all levels
- Maintenance of a risk register with ongoing review of the principal risks and uncertainties that the school faces
- The implementation of procedures designed to minimise or manage any potential impact on the school should those risks materialise.

The principal risks relate to a potential decline in roll due to demographic or socio-economic changes and impacts associated with the introduction of VAT on private school fees. The board has little control over these risks but has established contingency plans to counter any such changes. The school's strategy to mitigate these risks by growing the school roll has proved fruitful over the course of the year and into the 2025-26 academic session.

Risk management policies and objectives

The school's operations expose it to a variety of financial and other risks including credit, liquidity, interest rate and reputational risk:

- Credit risk: The school's main source of income is tuition fees which are viewed as low credit risk. The amount of exposure is assessed regularly by the Board
- Liquidity risk: The school has facilities available to ensure that it has sufficient funds for its operations
- Interest rate: The school has a loan at a fixed rate
- Reputational: The school, like any other independent school, operates in an environment which, by its very nature, is exposed to reputational risk.

Plans for future periods

Lathallan School continues on its programme of development, ongoing improvement and expansion. The shared aim within the school is to build upon recent successes and plan for further enhancements to the overall breadth of service Lathallan provides to the children, parents, staff and community as a whole.

Structure, governance and management

The charity is a company limited by guarantee. It is governed by its Memorandum and Articles of Association, updated on 12 March 2020.

The directors who served during the year and up to the date of signature of the financial statements were:

| | |
|-------------|-----------------------------|
| M Anderson | |
| A Brownlie | (Resigned 24 January 2026) |
| G Calder | |
| D Cowie | |
| J Forbes | |
| T Hutchison | (Resigned 16 December 2025) |
| G Leslie | |
| L Taylor | |
| R Winter | (Resigned 5 March 2026) |

LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

New directors are identified from parents, those connected with the school and outside individuals with the requisite skills and experience, and to provide balance to the Board. Directors are elected by the members. Induction procedures involve a tour of the school, meetings with the Chairman and Headmaster and provision of a pack of documents.

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The directors meet regularly to administer the activities of the school, working together with the Finance and other sub-committees which have their decisions ratified by the full Board. The day-to-day management of the school is delegated to, and undertaken by, the Headmaster. The Bursar is responsible for the maintenance of the financial records of the school.

The school is affiliated with the Scottish Council of Independent Schools which represents and promotes independent schools in Scotland. This relationship allows the school access to advice about educational development and legislative changes. This does not affect the general operating policies of the school but can have an impact on the overall strategic direction.

Statement of trustees' responsibilities

The directors, who also act as trustees for the charitable activities of Lathallan Schools Limited, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that A.J.B. Scholes Ltd be reappointed as auditor of the company will be put at a General Meeting.

Related parties

None of the directors receives remuneration or other benefit from their work with the school. Further related party disclosures are included in note 24 to the accounts.

LATHALLAN SCHOOLS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

Disclosure of information to auditor

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

The trustees' report was approved by the Board of Directors.



D Cowie

Director

Date: 30/4/26

LATHALLAN SCHOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LATHALLAN SCHOOLS LIMITED

Opinion

We have audited the financial statements of Lathallan Schools Limited (the 'charity') for the year ended 31 July 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 27 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LATHALLAN SCHOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LATHALLAN SCHOOLS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the statement of trustees' responsibilities, the directors 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 directors 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 directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

LATHALLAN SCHOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LATHALLAN SCHOOLS LIMITED

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

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

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.

In response to the risk of irregularities and non-compliance with laws and regulation, including fraud, we designed procedures which include:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud. We corroborated our enquiries through our review of board minutes, tax correspondence and correspondence with the group's solicitors.
- Assessing the extent of compliance with laws and regulations considered to have a material effect on the financial statements or the operations of the group through enquiry and inspection. The most significant regulations are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended). Other laws and regulations which have been considered include those pertaining to the regulation and oversight of independent schools in Scotland; health & safety; and employment..
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Assessing the susceptibility of the charity's financial statements to material misstatement including how fraud might occur. Audit procedures performed include:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. We review any large and unusual items within the accounts and any transactions that are out with the normal course of business;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries;
 - the engagement partner ensures that all audit staff have the necessary competence, capabilities and skills to identify any instances of non-compliance and that they remain alert with regards to such matters throughout the audit;
 - the areas of the financial statements which are considered most at risk of fraud have been given consideration, including the risk of management override of controls over revenue, payroll and other expenditure.

LATHALLAN SCHOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LATHALLAN SCHOOLS LIMITED

Due to 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ivan Houston (Senior Statutory Auditor)

For and on behalf of A.J.B. Scholes Ltd, Statutory Auditor

Chartered Accountants

75 High Street

Laurencekirk

AB30 1BH

Date: 30/4/26 .

LATHALLAN SCHOOLS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2025

| | Notes | Unrestricted funds | Endowment funds | Restricted funds | Total | Unrestricted funds as restated | Endowment funds | Restricted funds | Total |
|--------------------------------------|-------|--------------------|-----------------|------------------|------------------|--------------------------------|-----------------|------------------|------------------|
| | | 2025 | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 | 2024 |
| | | £ | £ | £ | £ | £ | £ | £ | £ |
| Income from: | | | | | | | | | |
| Donations and legacies | 3 | 4,464 | - | - | 4,464 | 12,840 | - | - | 12,840 |
| Charitable activities | 4 | 4,494,858 | - | - | 4,494,858 | 4,026,494 | - | - | 4,026,494 |
| Investments | 5 | 28,853 | - | - | 28,853 | 12,438 | - | - | 12,438 |
| Total income | | 4,528,175 | - | - | 4,528,175 | 4,051,772 | - | - | 4,051,772 |
| Expenditure on: | | | | | | | | | |
| Charitable activities | 6 | 4,384,430 | - | 10,147 | 4,394,577 | 4,079,914 | - | - | 4,079,914 |
| Total expenditure | | 4,384,430 | - | 10,147 | 4,394,577 | 4,079,914 | - | - | 4,079,914 |
| Net income/(expenditure) | | 143,745 | - | (10,147) | 133,598 | (28,142) | - | - | (28,142) |
| Transfers between funds | | - | - | - | - | 10,194 | - | (10,194) | - |
| Net movement in funds | 8 | 143,745 | - | (10,147) | 133,598 | (17,948) | - | (10,194) | (28,142) |
| Reconciliation of funds: | | | | | | | | | |
| Fund balances at 1 August 2024 | | 1,683,429 | 2 | 238,386 | 1,921,817 | 1,701,377 | 2 | 248,580 | 1,949,959 |
| Fund balances at 31 July 2025 | | 1,827,174 | 2 | 228,239 | 2,055,415 | 1,683,429 | 2 | 238,386 | 1,921,817 |

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

LATHALLAN SCHOOLS LIMITED

BALANCE SHEET

AS AT 31 JULY 2025

| | | 2025 | | 2024 as restated | |
|----------------------------------------------------------------|-------|----------------|------------------|---------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 2,572,397 | | 2,599,446 |
| Investments | 13 | | 631 | | 631 |
| | | | <u>2,573,028</u> | | <u>2,600,077</u> |
| Current assets | | | | | |
| Stocks | 15 | 8,171 | | 10,534 | |
| Debtors | 16 | 284,131 | | 163,604 | |
| Cash at bank and in hand | | 268,989 | | 625,676 | |
| | | <u>561,291</u> | | <u>799,814</u> | |
| Creditors: amounts falling due within one year | 17 | (433,694) | | (838,209) | |
| Net current assets/(liabilities) | | | <u>127,597</u> | | <u>(38,395)</u> |
| Total assets less current liabilities | | | <u>2,700,625</u> | | <u>2,561,682</u> |
| Creditors: amounts falling due after more than one year | 18 | | (645,210) | | (639,865) |
| Net assets | | | <u>2,055,415</u> | | <u>1,921,817</u> |
| The funds of the charity | | | | | |
| Endowment funds - Members admission fees | 22 | | 2 | | 2 |
| Restricted income funds | 21 | | 228,239 | | 238,386 |
| Unrestricted funds | | | <u>1,827,174</u> | | <u>1,683,429</u> |
| | | | <u>2,055,415</u> | | <u>1,921,817</u> |

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

The financial statements were approved by the directors on 30/4/26



D Cowie
Director

30/4/26

Company registration number SC043810 (Scotland)

LATHALLAN SCHOOLS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2025

| | Notes | 2025 £ | £ | 2024 £ | £ |
|---------------------------------------------------------------|-------|-----------|-----------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 25 | | (326,843) | | 382,510 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (8,078) | | (65,418) | |
| Input VAT recovered - tangible fixed assets | | 8,599 | | - | |
| Investment income received | | 28,853 | | 12,438 | |
| Net cash generated from/(used in) investing activities | | | 29,374 | | (52,980) |
| Financing activities | | | | | |
| Repayment of bank loans | | (46,599) | | (45,030) | |
| Payment of finance leases obligations | | (12,619) | | (720) | |
| Net cash used in financing activities | | | (59,218) | | (45,750) |
| Net (decrease)/increase in cash and cash equivalents | | | (356,687) | | 283,780 |
| Cash and cash equivalents at beginning of year | | | 625,676 | | 341,896 |
| Cash and cash equivalents at end of year | | | 268,989 | | 625,676 |

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

Charity information

Lathallan Schools Limited is a private company limited by guarantee incorporated in Scotland. The registered office is Brotherton Castle, Johnshaven, Montrose, Angus, DD10 0HN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain classes of tangible asset. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Fees receivable are accounted for in the period in which the service is provided. Where the charity receives fees in advance of the academic year to which they relate, they are included in creditors.

Donations received for the general purposes of the school are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds. Donations are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donated goods are recognised on the basis of the value of the items, which is the amount the charity would have been willing to pay for these on the open market.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on deposit funds is included when receivable and the amount can be measured reliably. This is normally upon notification of interest paid or payable. Dividends are recognised once the dividend has been declared and notification has been received of dividends due.

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.5 Expenditure

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

| | |
|------------------------|-------------------------------------------------------|
| Freehold buildings | 2% reducing balance |
| Pavilion and treehouse | 30 years on straight line basis |
| Science centre | 40 years on straight line basis |
| Narnia development | 10 years on straight line basis |
| Plant and equipment | 12.5% reducing balance basis |
| Motor vehicles | 25% reducing balance basis or 20% straight line basis |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Investments in listed securities are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Investments in subsidiary companies are initially measured at cost and then reviewed for impairment annually.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

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

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Employee benefits

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

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

1.13 Retirement benefits

The charity participates in the national Scottish Teachers' Pension Scheme 2015 (formerly the Scottish Teachers Superannuation Scheme) as a phased withdrawal school for current academic staff. Contribution rates are set by the Scheme actuary and are advised to the school by the Scheme administrator, the Scottish Government. The Scheme is a multiemployer pension scheme and it is not possible to identify assets and liabilities of the Scheme which are attributable to Lathallan Schools Limited. In accordance with FRS 102 the Scheme is therefore accounted for as a defined contribution scheme. The pension costs charged in the accounts represent the contributions payable by the charity during the year. The employer's rate from 1 April 2024 is 26% of salary. New academic staff are enrolled in the charity's existing auto-enrolment scheme - the charity's auto-enrolment staging date was 1 July 2014 and it continues to make contributions under this scheme

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

The directors have recently approved a phased withdrawal from the above scheme, with new academic staff being enrolled in the charity's existing auto-enrolment scheme - see below. The level of employer contributions for these staff will be maintained at 26%.

The charity's auto-enrolment staging date was 1 July 2014 and it continues to make contributions under this scheme.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.15 Donated services and goods

The value of work done by trustees in giving of their time for meetings and other matters on behalf of the charity is not reflected in the accounts as it cannot be quantified.

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|---------------------|------------------------------------|------------------------------------|
| Donations and gifts | 4,464 | 12,840 |

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

4 Income from charitable activities

| | Unrestricted funds 2025 £ | Unrestricted funds as restated 2024 £ |
|----------------------------------|------------------------------------|---------------------------------------------------|
| Education | | |
| Services provided under contract | 4,494,858 | 4,026,494 |

Correction of prior period error

In the financial statements of the prior period, charitable expenditure was stated after deducting income that the charity generates by recharging transportation costs to customers.

In these financial statements, the comparative amounts for income from charitable activities and charitable expenditure have both been restated so that the income, £134,395, is now presented within total incoming resources, rather than being netted against charitable expenditure.

5 Income from investments

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|--------------------------------|------------------------------------|------------------------------------|
| Income from listed investments | - | 16 |
| Interest receivable | 28,853 | 12,422 |
| | 28,853 | 12,438 |

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

6 Expenditure on charitable activities

| | Activities undertaken directly 2025 £ | Activities undertaken directly 2024 as restated £ |
|-----------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------|
| Direct costs | | |
| Staff costs | 2,794,115 | 2,529,645 |
| Depreciation and impairment | 108,681 | 95,576 |
| Other | 1,018,595 | 1,009,104 |
| | <u>3,921,391</u> | <u>3,634,325</u> |
| Share of support and governance costs (see note 7) | | |
| Support | 462,859 | 441,389 |
| Governance | 10,327 | 4,200 |
| | <u>4,394,577</u> | <u>4,079,914</u> |
| Analysis by fund | | |
| Unrestricted funds | 4,384,430 | 4,079,914 |
| Restricted funds | 10,147 | - |
| | <u>4,394,577</u> | <u>4,079,914</u> |

7 Support costs allocated to activities

| | 2025 £ | 2024 £ |
|--------------------------------|----------------|----------------|
| Staff costs | 462,859 | 441,389 |
| Governance costs | 10,327 | 4,200 |
| | <u>473,186</u> | <u>445,589</u> |
| Analysed between: | | |
| Activities undertaken directly | <u>473,186</u> | <u>445,589</u> |

8 Net movement in funds

| | 2025 £ | 2024 £ |
|------------------------------------------------------------------|----------------|---------------|
| The net movement in funds is stated after charging/(crediting): | | |
| Fees payable for the audit of the charity's financial statements | 10,327 | 4,200 |
| Depreciation of owned tangible fixed assets | <u>108,681</u> | <u>95,576</u> |

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

9 Directors

None of the directors (or any persons connected with them) received any direct remuneration during the year. The school educated children of directors at normal rates. At the year end date, there was one director with children at the school. Indemnity insurance was provided for the directors as part of a standard school insurance package. No separate cost can be identified. There were no expenses reimbursed to the directors during the year (2024 - £nil)

During the year, there were no donations made by the directors to the school (2024 - £nil).

10 Employees

The average monthly number of employees during the year was:

| 2025 Number | 2024 Number |
|----------------|----------------|
| 92 | 90 |

Employment costs

| | 2025 £ | 2024 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,656,013 | 2,269,538 |
| Social security costs | 227,292 | 202,283 |
| Other pension costs | 373,669 | 499,213 |
| | <u>3,256,974</u> | <u>2,971,034</u> |

The number of employees whose annual remuneration was more than £60,000 is as follows:

| | 2025 Number | 2024 Number |
|--------------------|----------------|----------------|
| £80,000 to £89,999 | <u>1</u> | <u>1</u> |

Of the employees whose emoluments exceed £60,000, 1 (2024 - 1) has retirement benefits accruing under the multi-employer defined benefit scheme which is treated as a defined contribution scheme. The contributions paid in the year were £12,808 (2024 - £12,215).

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

| | 2025 £ | 2024 £ |
|------------------------|----------------|----------------|
| Aggregate compensation | <u>419,926</u> | <u>398,407</u> |

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

12 Tangible fixed assets

| | Freehold buildings £ | Plant and equipment £ | Motor vehicles £ | Total £ |
|------------------------------------|----------------------------|-----------------------------|------------------------|------------|
| Cost or valuation | | | | |
| At 1 August 2024 | 3,319,359 | 870,162 | 43,558 | 4,233,079 |
| Additions | - | 5,287 | 76,342 | 81,629 |
| At 31 July 2025 | 3,319,359 | 875,449 | 119,900 | 4,314,708 |
| Depreciation and impairment | | | | |
| At 1 August 2024 | 951,422 | 677,671 | 4,537 | 1,633,630 |
| Depreciation charged in the year | 63,104 | 24,257 | 21,320 | 108,681 |
| At 31 July 2025 | 1,014,526 | 701,928 | 25,857 | 1,742,311 |
| Carrying amount | | | | |
| At 31 July 2025 | 2,304,833 | 173,521 | 94,043 | 2,572,397 |
| At 31 July 2024 | 2,367,937 | 192,488 | 39,021 | 2,599,446 |

The heritable property was valued on an open market basis in July 1991 by Savills Plc. The transitional provisions of FRS 102 are being followed. A valuation by Strutt and Parker in 2003 confirmed an open market valuation of £1,230,000. There have been subsequent property additions and improvements included at cost.

At 31 July 2025, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £261,240 (2024 - £265,347).

13 Fixed asset investments

| | Listed investments £ | Other investments £ | Total £ |
|---------------------------------|----------------------------|---------------------------|------------|
| Cost or valuation | | | |
| At 1 August 2024 & 31 July 2025 | 630 | 1 | 631 |
| Carrying amount | | | |
| At 31 July 2025 | 630 | 1 | 631 |
| At 31 July 2024 | 630 | 1 | 631 |
| Other investments comprise: | Notes | 2025 £ | 2024 £ |
| Investments in subsidiaries | 14 | 1 | 1 |

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

14 Subsidiaries

Details of the charity's subsidiaries at 31 July 2025 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|---------------------------------------|-------------------|--------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Lathallan Educational Enterprises Ltd | Scotland | Dormant | Ordinary | 100.00 | |

15 Stocks

| | 2025 £ | 2024 £ |
|-------------|--------------|---------------|
| Livestock | 1,733 | 1,980 |
| Uniforms | 5,303 | 7,462 |
| Other stock | 1,135 | 1,092 |
| | <u>8,171</u> | <u>10,534</u> |

16 Debtors

| | 2025 £ | 2024 £ |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 244,395 | 145,686 |
| Other debtors | 17,227 | 1,264 |
| Prepayments and accrued income | 22,509 | 16,654 |
| | <u>284,131</u> | <u>163,604</u> |

17 Creditors: amounts falling due within one year

| | Notes | 2025 £ | 2024 £ |
|------------------------------------|-------|----------------|----------------|
| Bank loans | 19 | 47,891 | 46,355 |
| Obligations under finance leases | | 17,076 | 1,025 |
| Other taxation and social security | | 63,376 | 52,131 |
| Deferred income | | 44,481 | 455,699 |
| Trade creditors | | 13,431 | 51,208 |
| Other creditors | | 123,610 | 109,260 |
| Accruals | | 123,829 | 122,531 |
| | | <u>433,694</u> | <u>838,209</u> |

Creditors falling due within one year include liabilities of £17,076 (2025: £1,025) in respect of finance leases which are secured over the related fixed asset.

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

18 Creditors: amounts falling due after more than one year

| | Notes | 2025 £ | 2024 £ |
|----------------------------------|-------|----------------|----------------|
| Bank loans | 19 | 586,379 | 634,514 |
| Obligations under finance leases | | 58,323 | 4,843 |
| Other creditors | | 508 | 508 |
| | | <u>645,210</u> | <u>639,865</u> |

Creditors falling due after more than one year include liabilities of £58,323 (2024: £4,843) in respect of finance leases which are secured over the related fixed asset.

19 Loans and overdrafts

| | 2025 £ | 2024 £ |
|-------------------------|----------------|----------------|
| Bank loans | <u>634,270</u> | <u>680,869</u> |
| Payable within one year | 47,891 | 46,355 |
| Payable after one year | <u>586,379</u> | <u>634,514</u> |

Amounts included above which fall due after five years:

| | | |
|------------------------|----------------|----------------|
| Payable by instalments | <u>375,295</u> | <u>431,028</u> |
|------------------------|----------------|----------------|

The loan is secured by a fixed charge over Brotherton Castle, Johnshaven and a floating charge over the assets of the company.

20 Retirement benefit schemes

| | 2025 £ | 2024 £ |
|---------------------------------------------------------------------|----------------|----------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>373,669</u> | <u>499,213</u> |

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

| | At 1 August 2024 £ | Resources expended £ | Transfers £ | At 31 July 2025 £ |
|------------------------|-----------------------------------|-------------------------------------|------------------------|----------------------------------|
| Pavilion fund | 102,533 | (5,692) | - | 96,841 |
| Science centre fund | 86,316 | (2,779) | - | 83,537 |
| Play equipment fund | 1,233 | (154) | - | 1,079 |
| Treehouse fund | 9,327 | (406) | - | 8,921 |
| Stage improvement fund | 2,820 | (353) | - | 2,467 |
| Nursery fund | 36,157 | (763) | - | 35,394 |
| | <u>238,386</u> | <u>(10,147)</u> | <u>-</u> | <u>228,239</u> |
| Previous year: | At 1 August 2023 £ | Resources expended £ | Transfers £ | At 31 July 2024 £ |
| Pavilion fund | 108,225 | - | (5,692) | 102,533 |
| Science centre fund | 89,095 | - | (2,779) | 86,316 |
| Play equipment | 1,409 | - | (176) | 1,233 |
| Treehouse fund | 9,733 | - | (406) | 9,327 |
| Stage improvement fund | 3,223 | - | (403) | 2,820 |
| Nursery fund | 36,895 | - | (738) | 36,157 |
| | <u>248,580</u> | <u>-</u> | <u>(10,194)</u> | <u>238,386</u> |

The pavilion fund was utilised in the construction of a sports pavilion in the year ended 31 July 2013. An unrestricted donation of £25,000 in 2010 has been treated as for this purpose also. The depreciation of the asset is charged to restricted funds on a straight line basis over 30 years.

The science centre fund was opened in the year to 31 July 2015 and monies used in the year to 31 July 2016 when the centre was built. The depreciation of the asset is charged to restricted funds on a straight line basis over 40 years.

The play equipment fund consists of donations received to assist in the purchase of outdoor play equipment. The depreciation of the asset is charged to restricted funds on a reducing balance basis of 12.5% per year.

The tree house fund consists of donations received to assist in the construction of a treehouse. The depreciation of the asset is charged to restricted funds on a straight line basis over 30 years.

The stage improvement fund consists of donations received to assist in the purchase of stage lights and sound equipment. The depreciation of the asset is charged to restricted funds on a reducing balance basis of 12.5% per year.

The nursery fund consists of a grant from Aberdeenshire Council for nursery extension works. The depreciation of the asset is charged to restricted funds on a reducing balance basis of 2% per year.

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

22 Endowment funds - Members admission fees

These are endowment funds which are material to the charity's activities.

| | At 1 August 2024 £ | At 31 July 2025 £ |
|-----------------------|--------------------------|-------------------------|
| Members admission fee | 2 | 2 |
| Previous year: | At 1 August 2023 £ | At 31 July 2024 £ |
| Members admission fee | 2 | 2 |

The liability of each member in the event of a winding up is limited to £1 each.

23 Analysis of net assets between funds

| | Unrestricted funds 2025 £ | Endowment funds Members admission fees 2025 £ | Restricted funds 2025 £ | Total 2025 £ |
|------------------------------|------------------------------------|-----------------------------------------------------------------|----------------------------------|--------------------|
| At 31 July 2025: | | | | |
| Tangible assets | 2,344,158 | - | 228,239 | 2,572,397 |
| Investments | 631 | - | - | 631 |
| Current assets/(liabilities) | 127,595 | 2 | - | 127,597 |
| Long term liabilities | (645,210) | - | - | (645,210) |
| | <u>1,827,174</u> | <u>2</u> | <u>228,239</u> | <u>2,055,415</u> |

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

23 Analysis of net assets between funds

(Continued)

| | Unrestricted funds | Endowment funds Members admission fees | Restricted funds | Total |
|------------------------------|-----------------------|----------------------------------------------------|---------------------|------------------|
| | 2024 | 2024 | 2024 | 2024 |
| | £ | £ | £ | £ |
| At 31 July 2024: | | | | |
| Tangible assets | 2,361,060 | - | 238,386 | 2,599,446 |
| Investments | 631 | - | - | 631 |
| Current assets/(liabilities) | (38,397) | 2 | - | (38,395) |
| Long term liabilities | (639,865) | - | - | (639,865) |
| | <u>1,683,429</u> | <u>2</u> | <u>238,386</u> | <u>1,921,817</u> |

24 Related party transactions

The charity discounts tuition and nursery fees charged to employees as is common practice in the sector. Total staff discounts provided in the period totalled £338,312 (2024: £307,736).

25 Cash (absorbed by)/generated from operations

| | 2025 £ | 2024 £ |
|-------------------------------------------------------------------|------------------|----------------|
| Surplus/(deficit) for the year | 133,598 | (28,142) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (28,853) | (12,438) |
| Depreciation and impairment of tangible fixed assets | 108,681 | 95,576 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 2,363 | (2,708) |
| (Increase)/decrease in debtors | (120,527) | 31,610 |
| (Decrease)/increase in creditors | (10,887) | 8,926 |
| (Decrease)/increase in deferred income | (411,218) | 289,686 |
| Cash (absorbed by)/generated from operations | <u>(326,843)</u> | <u>382,510</u> |

LATHALLAN SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

26 Analysis of changes in net (debt)/funds

| | At 1 August 2024 | Cash flows | New finance leases | At 31 July 2025 |
|--------------------------------------------|------------------|------------------|-----------------------|------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 625,676 | (356,687) | - | 268,989 |
| Loans falling due within one year | (46,355) | (1,536) | - | (47,891) |
| Loans falling due after more than one year | (634,514) | 48,135 | - | (586,379) |
| Obligations under finance leases | (5,868) | 12,619 | (82,150) | (75,399) |
| | <u>(61,061)</u> | <u>(297,469)</u> | <u>(82,150)</u> | <u>(440,680)</u> |

27 Non-audit services provided by auditor

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.