

**Notice of decision on individual review of charitable status
SC009886 Ardvreck School Ltd**

1. Decision

Following an inquiry under section 28 of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), we confirm that Ardvreck School meets the charity test and therefore continues to be eligible to be registered as a charity in Scotland.

2. Summary of assessment against the charity test

Ardvreck School's purposes are set out in Clause Three of the Memorandum and Articles of Association (as amended on 24 June 2010) and we are satisfied that:

- these purposes are charitable;
- the charity's activities provide public benefit in furtherance of those purposes;
- there is no evidence of any significant private benefit or disbenefit arising in consequence of the charity exercising its functions; and
- the conditions on accessing the benefit are not, on balance, unduly restrictive.

In assessing Ardvreck School against the charity test, we have had particular regard to the benefit it provides in furtherance of its purposes (both that which is charged for and that which is not) and the conditions on accessing that benefit, these being primarily the fees it charges its beneficiaries.

a) Benefit which is charged for

Ardvreck School is a co-educational junior school for children aged three to 13 years, offering education to both day and boarding pupils. During the financial year 2012-13 (which formed the basis of our assessment, as it was the most recent financial year for which complete financial information was available), it had a school roll of 122 pupils and is therefore one of the smallest schools in the sector. Approximately 59% of the school's roll were regular boarders. The school's gross income during the year is projected to be £1,636,334; we have used this figure for the purposes of our assessment.

In 2012-13, the annual fees for nursery aged children (in Little Ardvreck) were £5,673 and the school's annual fees for children aged five to 13 years ranged from £9,966 (average junior day fee) to £18,204 (junior boarding fee). The school fees were notably lower than the average fees for Scottish Council of Independent Schools (SCIS) junior

boarding schools in 2012-13¹ (£1,698 and £1,212 lower respectively). Nevertheless, these fees are substantial and represent a restrictive condition on accessing the benefit provided by the school. In order for public benefit to be provided, there must therefore be significant mitigation of these fees in place.

Ardvreck School provides benefit to its pupils which is charged for. In terms of educational benefit, children in Little Ardvreck (aged three to seven years) study traditional subjects along with creative activities including Scottish country dancing, French, ICT, drama, dance, art and music. Montessori mornings are also offered to children aged three and four, giving the opportunity for hands on learning, nature walks, gardening, campfires, pottery and storytelling. The school also offers extra-curricular activities including archery, drama, judo, karate, riding and instrumental music lessons. An activity session is run one afternoon per week.

b) Benefit which is not charged for

In addition, the school has provided evidence of a limited level of benefit for which it makes little or no charge. These activities provide some benefit to the wider public in furtherance of the school's purposes by providing access to its services and facilities. For example, the school:

- Holds annual or ad hoc events involving pupils from other schools. These include an annual primary school chess tournament, a singing workshop, a rugby coaching session and a film-making event.
- Provides facilities for arts organisations to run events for children (including those who are not Ardvreck pupils) on an ad hoc basis. These events have included two Perth Young Arts workshops and two camps organised by Remake Arts & Crafts.
- Provides a venue for children's music exams twice a year (including those who are not Ardvreck pupils) and opens its facilities to a voluntary brass group (primarily for children) on a weekly basis.
- Allows a ballet school to hold a weekly class for local primary aged children.
- Has permitted a nursery to hold a session at the school and intends to explore opportunities for other nurseries to access its facilities.

The majority of the benefit provided by the school for which there is little or no charge is ad hoc or relatively infrequent. However, there is certainly some evidence of benefit to a number of beneficiaries. The school has confirmed that it has no allocation policy for the use of its facilities, but that any requests are considered on an individual basis with priority being given to voluntary groups which advance the education of children.

In assessing the benefit offered by the school which is not charged for, we have had particular regard to the relatively small size of the school and the fact that its resources

¹ *Indicative average fees for SCIS schools analysis at September 2012*, www.scis.org.uk
(Note: comparison has been made with average day and boarding fees charged by boarding schools, as the majority of Ardvreck School's roll are regular boarders)

will consequently be limited. Additionally, we are aware that the opportunities for junior schools to provide benefit which is not charged for may be more limited than for secondary or all through schools. For example, junior schools typically have fewer facilities (particularly sporting facilities) and fewer opportunities to offer educational benefit (for example, in subjects not taught by state schools) than the majority of secondary schools.

The school has also explained that the age of its pupils means that they are vulnerable and that – in line with advice from the police and the Care Inspectorate - this is a key consideration when allowing access to any of its facilities to outside groups.

Although the benefit for which there is little or no charge is relatively limited, we conclude that it is nevertheless reasonable in the context in which this particular school operates (particularly the size of the school and vulnerability of its beneficiaries). This type and level of activity mitigates to an extent the restrictive nature of the fees charged by the charity for part of the benefit it provides.

c) Facilitated access to benefit

In addition to the benefit outlined above, the school mitigates the impact of the fees it charges by offering both means-tested and non means-tested fee remissions to its pupils. Means-tested access arrangements have the most significant impact on opening up access that is restricted due to the fees charged, as these awards are primarily focussed on addressing financial need. However, our assessment has also had regard to the impact of non means-tested awards and discounts offered by the school.

The school spent a moderate sum in 2012-13 on means-tested bursary provision; this amounted to 6.7% of its gross income. In total, 17 pupils, or 13.9% of the school's roll, were in receipt of a means-tested bursary award from the school which is a significant proportion. The bursaries awarded by the school were of varying values, with the main focus being on bursaries of 60% and less and the highest number of awards being in the 41-60% bracket. Means-tested bursaries offered by the school are available up to 100% of fee remission and, in the year reviewed, one pupil was in receipt of a full award. The school also confirmed that one pupil was in receipt of a 15% bursary from an external charitable trust during the 2012-13 year.

Additionally, the school facilitates the access to the benefit it provides by offering non means-tested fee remissions to its pupils in the form of boarding incentive discounts of 5 to 15%. In 2012-13, the school spent 9.5% of its gross income on non means-tested discounts which were awarded to 36% of the school's roll.

d) Conclusion

On balance, we conclude that Ardvreck School has provided sufficient evidence that, in particular, the provision of means-tested facilitated access and benefit for which there is

little or no charge is of a reasonable level given the context in which the school operates. These arrangements reduce and thereby mitigate the impact of the fees charged by the school.

In reaching this conclusion, we have had regard to the size of the school, the resources available to it, the nature of its beneficiaries and the level at which its fees are set.

We therefore do not consider that there are any unduly restrictive conditions on accessing the benefit provided by the school and public benefit is provided. Ardvreck School continues to meet the charity test.

10 January 2013