

**Notice of decision on individual review of charitable status
SC006960 Struthers Memorial Church (operating Cedars School of Excellence)**

1. Decision

Following an inquiry under section 28 of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), we are pleased to confirm that Struthers Memorial Church (operating Cedars School of Excellence) 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

Struthers Memorial Church's purposes are set out in Clause Three of the Memorandum of Association (dated 15 December 2007) as follows:

(1) To advance religion through the service of God, the proclamation of the gospel and the extension of his Kingdom; and in accordance with the following statement of faith:

*Belief in the Word of God as eternal, true and life-giving
Belief in the triune God - Father, Son and Holy Spirit
Belief in the deity of the Lord Jesus Christ: that on earth He was God incarnate
Belief in Christ's atoning death, His resurrection and ascension
Belief in the fall of man and the necessity of redemption through personal faith in Christ
Belief in the personality and power of the Holy Spirit and in man's need for the Baptism in the Holy Spirit
Belief in the gifts of the Holy Spirit referred to in 1 Corinthians 12, verses 8 - 10
Belief in the second coming of the Lord Jesus Christ and the rapture of the church.*

(2) To advance education through the operation of a Christian school.

We are satisfied that:

- the 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 Struthers Memorial Church 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, primarily the fees it charges its beneficiaries who attend the school it operates.

a) Benefit which is charged for

Struthers Memorial Church is a charity which carries out a number of activities, including operating churches throughout Scotland, England and Wales and operating a small number of bookshops and coffee shops. As part of this range of activities, the charity also operates Cedars School of Excellence, a co-educational Christian day school for children aged five to 18 years.

Our assessment has been based on the school's 2012-13 academic year; it should be noted that the academic year does not fall in line with Struthers Memorial Church's financial year, which runs 1 January to 31 December. However, the charity trustees have advised us that the school keeps its own financial records as part of the charity's overall accounting and that the school's Board of Governors are involved in its financial planning and budgeting. Our assessment has therefore been based on the school's own income and expenditure during the academic year.

During the 2012-13 academic year, the school had a roll of 110 pupils (21 of whom were children of members of Struthers Memorial Church). Its gross income during the year was £505,676; we have used this figure for the purposes of our assessment.

In 2012-13, the school's annual fees ranged from £4,250 (primary school fee) to £6,225 (secondary school fee). The school's fees were considerably lower than the average fees for Scottish Council of Independent Schools (SCIS) boarding schools in 2012-13¹ (£3,778 and £3,729 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, the charity must have in place significant mitigation of these fees.

Cedars School of Excellence provides benefit to its pupils which is charged for. In terms of educational benefit, pupils follow the Curriculum for Excellence and sit SQA examinations at the appropriate stage.

There are a number of extra-curricular activities offered including fishing, skiing, drama and golf as well as out of school activities including residential trips and after school clubs.

b) Benefit which is not charged for

In addition, the charity has provided evidence of a number of activities undertaken by its school for little or no charge which offer a reasonable level of benefit. These activities provide benefit to the wider public in furtherance of the charity's educational purposes by providing access to its services and facilities.

¹ *Indicative average fees for SCIS schools analysis at July 2012*, www.scis.org.uk
(Note: comparison has been made with average fees charged by day schools)

As an example of some of the most notable of the numerous activities outlined to us, the school:

- Has invested considerable time and resources to sharing its expertise on the use of tablet technology in the education of five to 18 year olds. This has included numerous visits from and videoconferences with other educational professionals, hosting a number of professional development days, exchange visits to other schools, and speaking at many industry conferences, presentations and other meetings
- Hosts placements for student teachers from James Watt College on an ongoing basis.
- Provided a year-long work experience for a student with profound learning difficulties and a short work experience placement for a local school pupil.
- Took part in a collaborative digital art project with school in Exeter, involving 35 students.
- Hosted an exchange visit from a Welsh school.
- Donated technology equipment to a school in Rwanda.

In addition, the charity provides a high level of benefit in furtherance of its religious purpose for which there is little or no charge. The most notable of these activities is the operation of 12 churches in Scotland, England and Wales, together with various related activities such as Sunday Schools, outreach services, prayer meetings, conferences and camps. The charity also runs three annual camp/conferences in Aberfoyle and other conferences in various parts of the UK for the deepening of spiritual life.

The charity helps to support missionaries in Cameroon through Wycliffe Bible Translators and makes a small number of donations to help in particular circumstances of need.

It is clear that, both through the operation of the school and in furtherance of its religious purposes, the charity is committed to regularly providing benefit for little or no charge to a wide range and high number of beneficiaries. These types of activities have a significant impact and therefore mitigate 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 provided for which there is little or no charge, the charity mitigates the impact of the school 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.

Means-tested bursaries are offered by the school to both new and existing pupils, with no restriction on who may apply. Bursaries are awarded in line with the school's Financial Assistance Policy and their availability is widely advertised through advertisements in local media, posters and school open days.

The school spent a relatively high proportion of its gross available income (8.1%) on means-tested bursary provision in 2012-13. In total, a high proportion of the school's roll (20 pupils, or 18.2% of the roll) were in receipt of a means-tested bursary award from the school.

The bursaries awarded by the school were of varying values, with the main focus being on mid-value bursaries of 41-60%. Means-tested bursaries offered by the school are available up to 100% of fee remission although, in the year reviewed, there were no pupils in receipt of a bursary of greater than 80% of fee remission.

Additionally, the school facilitates the access to the benefit it provides by offering non means-tested fee remissions to its pupils. In 2012-13, the school spent 2% of its gross available income on non means-tested discounts which were awarded to five pupils, or 4.5% of the school's roll. This type of fee remission included sibling discounts and assistance provided to pupils whose family circumstances have changed.

d) Private benefit and disbenefit

As we have previously publicly stated, the review of the charitable status of Struthers Memorial Church was suspended for some time to allow us to conduct a separate inquiry into various aspects of the operation of Struthers Memorial Church, including any private benefit or disbenefit arising from its activities.

Among other things, the inquiry considered allegations of unfair recruitment and selection of teaching and other staff at Cedars School of Excellence based on family connections. It is not disputed that there a number of related staff at the school, but the inquiry found no evidence of inappropriate appointments or of private benefit to individuals beyond what is necessary for the effective running of the school.

The inquiry also considered whether there was any public disbenefit arising from the operation of Struthers Memorial Church, prompted by allegations of the exclusion of congregation members from church services or activities and concerns about harm that may result if an excluded member had a child attending Cedars School of Excellence. The inquiry found that although there are occasions when members leave the Church of their own free will, formal exclusions are rare and are justified by trustees as being in the interests of the charity. The majority of pupils attending the school are not from families attending one of the charity's churches and no evidence was found to suggest a risk of disbenefit to school pupils from exclusions.

This inquiry is now concluded, with no further action required by OSCR.

e) Conclusion

We conclude that Struthers Memorial Church (operating Cedars School of Excellence) 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 high level and that the impact of the fees charged by the school is thereby mitigated.

In reaching our conclusion, we have had particular regard to the fact that the fees charged by the school are considerably lower than the sector average. We have also considered the principle set out in our guidance that lower fees will require proportionately lower levels of mitigation to ensure that access to benefit is not unduly restricted.

In the context of the fees, we consider that the school has made reasonable provision for means-tested bursary assistance from its income and that a high number of the school's beneficiaries are in receipt of such assistance to some degree. We have noted that the majority of bursaries are of mid-value, with no pupils being in receipt of an award of full fee remission. However, the relatively low level of the fees charged by school means that the remainder of the fee payable after a partial bursary has been awarded is, in most cases, not an unduly restrictive condition on accessing the benefit provided.

On balance, we are of the view that the benefit provided by the charity for which it makes little or no charge – through the operation of the school and through its wider activity to advance religion – is of a high level and that this activity will have a considerable impact on a wide range of beneficiaries. This aspect of the charity's operations is the most significant way in which it opens up access to the benefit it provides, thereby mitigating the fees charged.

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. Struthers Memorial Church (operating Cedars School of Excellence) continues to meet the charity test.

23 September 2015