

Wells Cathedral School Limited
(Limited by Guarantee)

Governors' Report and Consolidated Financial Statements

Registered Company number 564883

Registered Charity number 310212

Period ended 31 August 2021



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GOVERNORS' REPORT

The Governors of Wells Cathedral School Limited ("the School") present their annual report for the period ended 31 August 2021 under the Charities Act 2011, together with the audited Consolidated Financial Statements for the year and confirm that they comply with the requirements of the Companies Act 2006, the School's Memorandum and Articles of Association and Accounting and Reporting by Charities' Statement of Recommended Practice (FRS 102) ("the Charities SORP").

Governance

The School has been in existence since 909AD. Its original purpose, which it still fulfils to this day, was to educate the Wells Cathedral choristers. It is registered with the Charity Commission and was incorporated in 1956 as a registered company, Limited by Guarantee.

The Governing Body

The School Governors who served during the period and up to the date of signing the Financial Statements are listed below. The Governors of the School are directors of the School for Companies Act 2006 purposes.

The Very Reverend Dr John Davies DL, MA, MPhil, PhD, Dean of Wells
The Reverend Canon Nicholas Jepson-Biddle BA, MA, Precentor of Wells ○#
The Reverend Canon Dr Robert James PhD, MPhil, MLitt, MA BA (Hons) Chancellor of Wells ◇
Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇
Prebendary Emeritus Helen Ball OBE \$◇ (*resigned 28th June 21*)
Mr David Brown MA, OBE ●#
Mr Tim Lewis BA (Cantab), FCA*
Mr Robert Powell \$ ●◇
Mr Andrew Campbell-Orde FCCA*
Mr Martin Cooke BEd ◇●
Mr Andrew Gummer LLB *#
Mr Kris Robbetts, MA MSc ●
Mrs Elizabeth Shelton, SRN \$
Mr Harry Musselwhite, BA FKC *(*appointed 1st September 21*)

* Members of the Finance and Audit Committee
\$ Members of the Pastoral and Recreation Committee
◇ Members of the Academic Committee
● Members of the Development Committee
○ Members of the Chorister Sub Committee
Parent of a pupil at Wells Cathedral School

The board comprises three of the seven members of the chapter of Wells Cathedral, two of which are anticipated to be the Dean and the Precentor, and up to 15 lay members who are appointed by the chapter

The lay Governors are appointed for three years and retire by rotation.

Governors Report (*continued*)

Legal and Administrative Details

Registered and principal office	Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Solicitors	Harris and Harris Diocesan Registry 14 Market Place Wells Somerset BA5 2RE Borges Salmon LLP One Glass Wharf Bristol BS2 0ZX
Insurance Brokers	Hettle Andrews & Associates Ltd Eleven Brindley place 2 Brunswick Square Birmingham B1 2LP
Independent Auditor	Crowe U.K. LLP 4 th Floor St James House, St James' Square, Cheltenham GL50 2PR
Company Secretary	Mr Peter Knell Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Connected Charity	Wells Cathedral School Foundation Limited College Road Wells Somerset BA5 2SX

Connected Charity registration number 1118159

Governors Report (*continued*)

Charitable Objectives

The School's objectives as set out in its Memorandum and Articles are:

- To advance education in accordance with the doctrine of the Church of England by such means as shall be exclusively charitable and by other associated activities for the benefit of the community;
- The carrying on and development of the School;
- To provide in particular for the training and education of the choristers of the Cathedral Church of St Andrew in Wells, and the other pupils of the School through instruction in every branch of learning, in citizenship, in outdoor pursuits and in arts and crafts of all kinds, and on the basis of Christian principles and in accordance with the doctrine of the Church of England to provide such pupils with spiritual, moral, mental and physical training; and
- To do all such other things as are incidental or conducive to the attainment of the Association's objects or any of them.

The Governors have referred to the Charity Commission's general guidance on public benefit when reviewing the School's aims and objectives and in the planning of future activities. In particular, the Governors consider how planned activities for the year will contribute to the aims and objectives they have set.

The School provides a family-orientated co-educational boarding and day School for 2 - 18 year olds which provides an all-round education alongside world-class specialist music training, including to the Choristers of the Cathedral. Its vision is to inspire every individual pupil to nurture his or her talents in a vibrant, creative, spiritual and stimulating environment to become a responsible global citizen.

The School aims to achieve its objectives and realise its vision through the application of the core principles set out in its Mission Statement:

- **Encouraging** pupils intellectually to set themselves high expectations and aspirational goals
- **Challenging** pupils to discover new passions and develop existing ones through active engagement in a range of co-curricular and sporting endeavours
- **Delivering** a world-class specialist music and chorister education for those with particular talents
- **Stimulating** pupils to be individuals in a uniquely creative and spiritually aware environment
- **Empowering** pupils to be independent, resilient, confident and kind

Charitable Benefit

The School's primary charitable benefit is the provision of education to the boys and girls at the School. The School is a co-educational learning community and its pupils consist of both boys and girls at all stages. There are no geographical restrictions upon prospective pupils and 170 children (2020: 165), about 25% of total pupils, (2020: 24% of total pupils) from 24 (2020: 19) different overseas nations were pupils during the year. Although education is in accordance with the doctrines of the Church of England, there is no religious restriction upon those who may be admitted and pupils of all faiths are welcomed, with many different religions represented amongst the pupil body. All pupils are assessed academically on entrance to enable appropriate provision for them, and auditions are held for prospective musicians and choristers. Beyond the curriculum offered by the School, charitable benefit is also generated from the following activities:

- Community work carried out by pupils in and out of School;
- Outreach and partnership work conducted by the School, in relation to music, sports and academic activities;
- Provision of School estate and support facilities for community use at cost recovery or reduced rates;
- Links with Schools and music academies and enterprises overseas (Sierra Leone, China including Hong Kong, Malaysia, Russia and throughout Europe) to enable the pupils to extend their community work abroad and to understand the needs of pupils in different countries; and
- Charitable fundraising.

Governors Report (*continued*)

Bursaries, Scholarships and Discounts

The School does not have substantial reserves or endowments and largely relies upon its annual fee income and Foundation fundraising to support its activities. Although fees are payable by parents, an extensive bursary and scholarship support is provided to pupils. The School seeks to provide as many means tested bursaries and scholarships as can be sustained by its annual fee income. Bursaries are reviewed after each phase of education by the School. During the year, the School provided fee remissions of £3,309k (2020:£3,192k), which comprises bursaries of £1,135k (2020:£1,125k), scholarships of £381k (2020:£304k), a subsidy to pupils participating in the Music and Dance Scheme of £946k (2020:£919k), and £847k (2020:£796k) of discounts (supporting members of the armed force, clergy, siblings, Old Wellensians, employees and children of ex-choristers of the School). Due to Covid an additional £469k (2020: £1,200k) was discounted on fee bills, which is an accumulation of savings acquired due to the second national school lockdown, which occurred during the period in the Epiphany/Lent term. The School also received £58k (2020: £48k) from the Foundation.

Group Structure and Relationships

The School has two wholly owned subsidiary companies which were deregistered during the period:

- Wells Cathedral School (Hong Kong) Limited (*deregistered 11th February 2021*)
- Wells Cathedral International School (Hong Kong) Limited (*deregistered 5th February 2021*)

The Wells Cathedral School Foundation ("the Foundation") was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School. The Foundation's objects are to advance the education of pupils at the School by means of:

- The provision of financial assistance towards the maintenance and development of the School;
- Raising money for awards to pupils to pursue their education at the School, including pupils whose parents or guardians are in need of financial assistance;
- The provision of facilities and equipment to support the education of pupils in the School; and
- The organisation of events to promote the good name of the School and further its educational objectives, including orchestral and choral concerts in the UK and overseas.

The Foundation's income is from charitable gifts plus gift aid from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the period the Foundation received £269,068 (2020: £279,285) in income and made donations to the School of £98,545 (2020: £75,796) towards bursaries and specific projects.

Whilst the Foundation produces its own separate audited Financial Statements, these Financial Statements are then incorporated with the Financial Statements of the School into the consolidated Financial Statements of the group.

Recruiting and Training of Governors

The School's lay Governors are appointed at a meeting of the Board on the basis of nominations agreed between the Chairman and the Head Master with regard to the Board's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. A small sub-committee of Governors (the Succession Planning Committee) meets with the Head Master on a regular basis to consider vacancies, names and succession. Governors are inducted into the workings of the School, including Board policy and procedures, by the Chairman, the Head Master, the Bursar and the Assistant Clerk to the Governors. The training needs of the Governors are continually assessed and relevant updating sessions are provided, including, but not limited to, development activities provided through membership of the Association of Governing Bodies of Independent Schools (AGBIS).

Governors Report (*continued*)

Charity Governance Code

All Governors of the School:

- are committed to the School's cause and have joined its governing body because they want to help it to deliver its purposes most effectively for public benefit;
- recognise that meeting the School's stated public benefit is an ongoing requirement;
- understand their roles and legal responsibilities and have read and understood:
 - o The Charity Commission's guidance *The Essential Trustee (CC3)*;
 - o The School's governing document;
 - o Are committed to good governance; and
 - o Contribute to the School's continued improvement.

The Governors are familiar with, and acknowledge, the updated version of the Charity Governance Code published in July 2017 and the code's principles are reviewed at the Governors' away days.

Fundraising Disclosures

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Over the last year the Foundation has undertaken fundraising activities as in previous years using its database. These fundraising activities have been undertaken by staff employed by the Foundation and no external persons have been used. The Foundation has voluntarily subscribed to the Fundraising Regulator which holds the Foundation to the Code of Fundraising Practice. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

Safeguarding Policy

In order to protect vulnerable people the board of Trustees of the Foundation complies with the School's board of Governors safeguarding policy to report concerns of abuse. All members of staff, as well as Governors, receive regular safeguarding training, and safeguarding is an agenda item at all Governors meetings. This allows Governors and staff members to raise and be aware of any concerns.

Indemnity Insurance

As permitted by the Articles of Association, the directors are the beneficiaries of a qualifying third party indemnity as defined by Section 234 of the Companies Act 2006. The School also purchased and maintained throughout the financial year Governors' and officers' liability insurance in respect of itself, its Governors and the Trustees of the Foundation.

The cost of insurance is included in the cost of public liability cover which amounted to £7,846 (2020: £7,560) in the year for the group.

Statement of Going Concern

The School closely monitors its cash flows and has maintained an overdraft facility of £750k to ensure that it remains a going concern. Despite the challenging environment provided by a second financial/academic year characterised by operating instability of both educational and commercial activity, and fluctuating numbers, due to the Covid pandemic, the School has again successfully adjusted its operating costs in order to deliver a surplus despite these constraints and reduced income from pupil fees and commercial activity. The School expects to maintain a positive cash holding and does not anticipate the need to utilise its agreed overdraft facility in the next 12 months.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Governors have considered the impact of the Covid pandemic as part of their assessment. They have concluded that no material uncertainties have been identified that may cast significant doubt on the ability

Governors Report (*continued*)

of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School. The full governing body meets at least four times a year, and is chaired by the Dean of Wells Cathedral. It is responsible for determining the aims, strategy and overall conduct of the School and is accountable for the discharge of its responsibilities to pupils, parents and staff. The work of implementing the policies is carried out by a series of committees:

- Finance and Audit Committee: This committee meets four times a year, usually two weeks before a full meeting of the Governing Body, and is chaired by Andrew Campbell-Orde. Its main roles are to:
 - consider, monitor, challenge and recommend the annual budgets and fee increases to the board;
 - monitor and direct in-year expenditure;
 - authorise capital expenditure;
 - scrutinise the statutory Financial Statements and recommend them to the governing body;
 - appoint and appraise the performance of the external auditor;
 - scrutinise, monitor, challenge and endorse proposals for staffing and staff remuneration; and
 - monitor and advise on the School's human resource function.
- Academic Committee: This committee meets three times a year, and is chaired by Martin Cooke. Its objectives are to:
 - scrutinise, challenge, support and monitor the School's educational aims; and
 - help the School develop new and appropriate ones.
- Pastoral and Recreation Committee: This committee meets three times a year, and is chaired by Prebendary Helen Ball. Its objectives are to:
 - monitor and advise in all matters relating to pupil welfare and wellbeing, including matters concerning safeguarding;
 - monitor and advise on matters relating to staff welfare;
 - review the School's provision of extra-curricular activities including trips; and
 - review and monitor the School's boarding provision.
- Development Committee: This committee meets three times a year, and is chaired by David Brown. This committee:
 - challenges, advises and supports the Head Master in all matters concerning plant, grounds and non-core trading in order to meet the educational needs of the School; and
 - monitors and supports the work of the Foundation.

The Chorister Sub Committee meets three times a year and includes the Organist and Master of the Choristers (post re-titled 'Director of Music' during the current year), the assistant organist as well as the School's chorister tutor. It is chaired by the Precentor of Wells Cathedral, the Reverend Canon Nicholas Jepson-Biddle. It oversees, monitors and plans all matters to do with the choristers' life and programme.

The running of the School is delegated to the Head Master, supported by his Management Team which consists of the Heads of the Junior and Pre-Prep Schools, the Director of Music, the Bursar, who is also the Clerk to the Governors, Director of Admissions and Marketing and two Deputy Heads, Pastoral and Academic. The Head Master reports directly to the Governors, as does the Bursar through the Head Master but with direct access for matters relating to the roles of Company Secretary and Clerk to the Governors. The Head Master attends all meetings and committees of the Governors, and members of the Management Team attend meetings according to their responsibilities and at the direction of the Head Master and Clerk to the Governors.

Governors Report (*continued*)

Officers

During the year the executive officers were:

Head Master	Mr Alastair Tighe MA (Cantab)
Bursar & Clerk to Governors	Mr Peter Knell BSc (Hons), MA, MSc, MBA, CITP, FCIPD, FCIS, FCMA, CDir
Head of Junior School	Mrs Julie Barrow BEd (<i>retired 31st August 2021</i>)
Head of Junior School	Mr Jody Wells BEd Hons (<i>appointed 1st September 2021</i>)
Head of Pre-Prep Development	Miss Rebecca Allen BSc (Hons), MA Ed
Director of Music and Managing Director, Cedars Hall	Mr Mark Stringer GMusRNCM (Hons), FTCL, ARCO (CHM), ARCM, HonFTCL, HonLRSL, PGCE
Deputy Head (Pastoral) and Designated Safeguarding Lead	Mr Martin Ashton BA (Hons), PGCE
Deputy Head (Academic)	Mrs Natalie Perry BSc (Hons), MSc, PGCE
Director of Marketing and Admissions	Mr John Fosbrook BA (Hons), MA

When setting the remuneration and pay structure of the senior executives, a comprehensive benchmarking exercise is undertaken, using Rickerbys IAP salary guidance and assessing competitors' information for comparison. Governors agree the Head Master's salary and the Head Master agrees the senior team's salary in consultation with the Governors.

Volunteers

The School continues to be grateful to the Parents' Association for the funds it makes available for desirable and useful extras throughout the School and its contribution in arranging social occasions. Also to the Friends of Music of Wells Cathedral School for their constant support for music in the School and for the funding they make available for instruments, musical commissions, etc. It is also grateful to the board of Wells Cathedral School Hong Kong Music Society, which raises funds in Hong Kong to support Hong Kong scholars at Wells, and to the Trustees of the Wells Cathedral School Foundation.

Employees

Staff in their respective areas (teaching or support) attend regular term meetings/forums to discuss current whole School issues, where they are encouraged to have a voice and participate. They are regularly updated on the current developments of the School including the School's estate projects and its financial position.

The School demonstrates best practice by following a comprehensive recruitment/retention process to ensure equal opportunities for all. Once appointments are made, regular professional development reviews are undertaken to allow all staff to develop their careers further, through training and reflective practice. This includes career development and promotion of disabled people and the continuing employment and training of employees who have become disabled whilst employed by the School. The School has demonstrated how it values all staff by making reasonable adjustments to individuals' work commitments, to enable them to carry out their duties to the best of their ability. If they experience long term health problems and wish to return to work, assistance is provided to aid their recovery. Coaching is available for some staff and it is planned to develop this further.

STRATEGIC REPORT

Review of Developments, Activities and Achievements

During 2020/21, the in-year average numbers in the Senior School decreased to 544 (2019/20: 555) and in the Junior School decreased to 130 (2019/20: 131), excluding the Nursery. The average overall School roll therefore decreased to 674 (2019/20: 686). This was one pupil above the anticipated roll of 673, excluding nursery. The Board's long term intention is for the overall size and disposition of pupils (the 'shape' of the

Governors Report (*continued*)

School) to increase numbers towards approximately 700 pupils and at the same time create a more even distribution of pupil numbers throughout all year groups

The Covid pandemic has had a considerable operational effect on the School in the year. The School returned to onsite learning in September 2020 after an extended period of lockdown, but there were considerable Covid measures in place to ensure the safe operation of the School during this time. A further period of remote learning lasted from January 2021 to mid-March 2021 as a result of the Government's national lockdown requirements. While the majority of pupils were learning off-site during this time, approximately 50 boarders were in residence throughout, and a further 50 or so pupils attended daily as children of key workers (in addition to the Nursery which remained open). The School maximised the financial savings opportunities afforded by the closure of most of the physical site and applied these savings to fees for the Epiphany and Lent Terms, in order to alleviate the financial effects suffered by parents, other fee payers and grant giving bodies.

Cedars Hall, although now well-established as an integral asset both for the School and in the cultural life of the City of Wells and the South West of England, sadly had to remain shut for the majority of the financial year as a result of Covid restrictions. Although it was used for pupil events and live-streaming, we were not permitted to hold public events until the very end of the academic year. We look forward, however, to revitalising the provision and opportunities afforded by Cedars Hall, building on its offer of world-class 'classical' and jazz performances by expanding its arts programmes to include more popular and 'commercial' music to embrace a wider audience, often in a cabaret-style format. The Hall will continue to host art exhibitions, drama and other important festivals in Wells, e.g. The Festival of Literature and the Comedy Festival, amongst others. The Hall also continues to welcome community events such as toddler groups on a regular basis. The Hall is in demand as a top-calibre recording venue and is admired by the BBC which has recorded three major chamber music festivals at the venue.

The development plan for the whole School site continues to form the basis of the School's estate strategy, whilst it is adjusted according to changes in the environment and implemented according to changing needs. An Estates Strategy Group continues to meet regularly to consider a number of long term strategies for the School estate, the utilisation of site buildings, the shape and size of the School and possible future new building projects. This is in addition to maintaining the regular cycle of maintenance of School buildings.

The School continues to develop its curriculum offering, in response to both pupil demand and its overall academic strategy. Alongside this the School continues to enhance now established links with external experts to augment its own internal expertise in areas of teaching, learning, coaching and mental health. This programme has been extended to parents, and the continuation of the 'Parental Engagement Programme' (PEP) has been popular, with good outcomes for pupils' learning as School and parents share the same message.

The School is conscious of the need to be informed by academic research, and a number of teaching staff are engaged in research projects. Others are involved in 'lesson study' projects, with some staff studying towards formal masters level qualifications.

With regard to supporting its business processes, the School continues to develop tools internally in order to make better use of its data. These include reporting and administration tools in areas such as admissions, finance, music timetabling, asset management and others.

Pastoral care is provided to all pupils with the aim of giving them the encouragement and support necessary to ensure they are supported to not only 'be what they are' (*esto quod es*) in the words of the School motto, but become the best they can be. This aim is threaded through our discourse whenever possible. Pupils should have a sense of belonging and be contented, balanced and confident individuals who have the necessary tools to be able to live safe, healthy and fulfilling lives. They should have a high level of spiritual awareness, emotional intelligence and self-control and also be active and responsible citizens who make a positive contribution to the School and wider world. They should be possessed of a good moral compass and a strong sense of honesty and integrity, and be equipped to work in partnership and in teams. To achieve this, the School has continued to develop its pastoral care and facilities. This continues to work towards further improving boarding, through enhancement work. Pupils' wellbeing remains high on the agenda and not least in the light of Covid. A broader and more focused programme to support this is being rolled out alongside a new appointment of a Mental Health Counsellor.

Governors Report (*continued*)

In other estates work, the School has secured funds via fundraising and an annual fund to build a Multi Use Games Area (MUGA) for use by the whole School. In addition, the Estates budget was used to refurbish the Plumpton courts and Claver Morris boarding house; to decorate De Salis boarding house externally and likewise Mullins building.

Of course there are also the year round small improvement works that have been carried out, as we constantly strive to improve the site and buildings and keep on top of essential maintenance of Listed Buildings.

Pupils have also continued to be educated about their use of mobile phones and technology and how it can affect their well-being. We are strengthening our mobile phone policy from September 2021. We also responded to some of the social matters which have arisen recently as a result of Black Lives Matter, Everyone's Invited and Climate Change focuses through a series of 'Big Conversation' events in the Senior School.

The co-curriculum aims to support the School ethos of 'be what you are' by providing opportunities for every pupil to find an activity outside the classroom, which could be physical or non-physical, for them to enjoy life. Pupils should be able to follow their passion to the highest level. The School supports elite pathways, but its main focus is on improving and developing every child. The co-curriculum is also designed to provide a brilliant foundation for life by choosing activities that develop the necessary character traits that enable a successful future.

Old Wellensian activities have been largely curtailed this academic year as a result of Covid. But we have managed regular bulletins and other communications and look forward to resuming normal events as soon as restrictions permit. The Foundation has continued to work with the Old Wellensian Association on communications, and the Head of Foundation continues as secretary and Vice-Chairman of the association. In addition, we have implemented a new 'Wells Community Portal' to bring together all the supporting bodies of the School in one 'virtual' place - including Old Wellensians, Friends of Music, Parents' Association, Wells Cathedral Chorister Trust and Old Choristers Association.

The Director of Admissions and Director of Music, along with other colleagues, were unable to travel for international recruitment purposes because of Covid restrictions. But we participated in numerous virtual recruitment events, which proved successful and worthwhile.

The School's admissions and recruitment efforts have continued this year, albeit that the methods of recruitment activity have varied significantly from those normally used, as a result of the Covid pandemic. The School has continued to focus on its online marketing and recruitment presence, including virtual open days, virtual walk around tours, and online video conference meetings with agents and prospective pupils/parents.

There has been regular communication between the School and the Wells Music Society of Hong Kong (WMSHK) despite none of the usual planned Wells pupil music concerts being possible. The Head Master and Director of Music have worked closely with the WMSHK to agree a clear remit for the society in terms of its profile-raising for the School and in facilitating existing, and exploring new, strategic relationships on the School's behalf; also in relation to pupil recruitment.

The beneficiaries of the School also include children and young people who are not pupils of the School who have the opportunity to benefit from educational and entertainment activities undertaken at, or by, the School.

The School's state-of-the-art performing arts complex, Cedars Hall (opened in September 2016), is one of the School's primary vehicles for engagement with the wider community. The School ordinarily hosts some 350 events, mainly concerts, throughout the year, most of which are in the Eavis Auditorium of Cedars Hall, and Quilter Hall, our 14th Century concert hall. The concerts are a combination of pupil-led performances and those by internationally-acclaimed professional musicians and performing artists from all over the world. In addition to many free concerts available to the general public, the School offers heavily discounted tickets to all who join the Friends of Music of Wells Cathedral School.

The School educates the boys and girls of the choir at Wells Cathedral which is an integral part of the worship at Wells Cathedral and a significant benefit to the members of the wider community. The School supports the Cathedral in providing mentoring in teaching, and in supporting safeguarding training for the Vicars Choral, and its choral and organ scholars. It also supports children from other Schools to "Be a chorister for a Day" providing staffing, pupils and physical resources.

Governors Report (*continued*)

During the year Wells Cathedral School delivered a reduced and online programme of music outreach, co-ordinated by a dedicated member of staff to the benefit of many local maintained Schools and the wider community both regional and international. Other more usual music outreach onsite had to be curtailed because of the Covid restrictions, but some events (such as instrument days) were replaced with online offerings. And we hosted Music Summer Schools onsite. We produced a huge amount of online performance material featuring pupils' themselves via our School YouTube channel which was available to the wider community and attracted considerable interest.

The School's pupils also assisted with our local charitable work including at Wells Museum, Bishops Palace, Wells Cathedral, a local Food Bank, local care homes and local charity shops and local schools. Pupils also wrote letters to care home residents in the first lockdown and sent Christmas cards in December 2020.

Unfortunately Covid restrictions prevent us holding our usual 'Be a Mathematician Days' or other sporting outreach events and competitions. The Swimming Pool was made available to the local population in the summer, however.

When restrictions permitted, the facilities of the School (buildings and sports facilities) were made available to users for little or no charge.

There are 3 members of staff (2020: 3.) that act as public examiners for GCSE, A level, ABRSM and Trinity examinations taken by maintained school candidates.

The School was named Independent School of the Year 2020 for the Performing Arts. We secured the title for "really living their philosophy of 'Be what you can be' through their elite and general programmes".

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Governors consider the relevant actions of the Board as described throughout the report.

Key Challenges

Continuing on from the focuses set by the arrival of the Head Master in September 2018, key focuses and messages throughout the year were:

1. That Wells offers a holistic education which aims to educate the whole child academically, through its comprehensive range of co-curricular activities and charitably.
2. That it is a through School offering education from 2 – 18 years.
3. That it is a specialist music School within the context of an all-round School, which gives it a unique ethos and atmosphere, which also enables it to provide a world-class musical education for its specialist musicians but from which all its pupils also benefit.
4. That it is a Cathedral Choir School providing an education for the Cathedral choristers.
5. That it is a boarding and day School, and a School whose rhythms are dictated by the presence of its boarders, both UK boarders and international boarders.
6. That it aims to deliver the best academic experience possible, within the context of an all-round education.
7. That it has suitable strategies in place to appeal to the widest possible pupil base and to expand its recruitment of pupils of all ages whilst also attracting the best quality teaching and support staff.
8. That it provides long term strategic development, funding and sustainability to one of the country's oldest school communities.
9. That it ensures its former pupils are actively part of its extended community through regular communications and invitations.
10. That it continues to resource the School and manage its budgets in such a way as to aim to provide an operating surplus of at least £1 million before depreciation alongside funding "one off" projects, to enable continuing investment in facilities.

Governors Report (*continued*)

A new Strategic Vision for the School was launched in January 2020, which aimed to express all these points and make them a focus for the future development of the School. In addition, the challenge of Covid and the subsequent lockdowns and physical site closures of the School requiring a move to remote learning for the majority of pupils, presented some significant operational challenges in the middle of the 2020/21 academic year, alongside ensuring onsite operations were as Covid secure as possible.

Operational Performance

The School set itself the following objectives for the academic year 2020/21. Progress is indicated in *italics*.

1. To continue to improve the provision of sport and co-curricular education.
Significant progress has been made, including the establishment of an Annual Fund with a specific focus on Sport in its first year. The duration of the Fund was extended to two years because of Covid, and at the time of writing funds have been secured to build a MUGA. We will launch a different Annual Fund focus in January 2022, most probably focussing on supporting the wellbeing of the whole community.
2. To raise the level of fundraising for bursaries both at home and abroad, and to create the basis for the next stage of advancement at the School.
Work continues on this, and the Foundation is reviewing our legacy plans for donors among other things. Again, Covid curtailed activity in terms of 'launch' and other 'fundraising' events. But this remains a priority for the 2021/22 academic year.
3. To increase the level and rate of recruitment of pupils at all stages in the School in order to continue to create a steady model for the School.
Despite challenges imposed by Covid, recruitment has been very strong and as we enter the next new academic year we are looking forward to a strong year in terms of pupil numbers. We continue to work to bring our recruitment cycle forward, and we are seeing increasing numbers of prospective families earlier than before, and committing to the School more than a year in advance. Moreover, sections of the School are full, including areas of boarding and some year groups.
4. To continue to support families and parents better so that being a member of the Wells community is easier.
Progress continues, including improved communications and a greater sense of collaboration between the various supporting bodies of the School, not least via the creation of the Wells Community online platform.
5. To develop leadership and accountability at all levels throughout the School.
For pupil leadership, a revised Prefect and Captain structure has been implemented. We will be implementing a School Council for pupils in the Senior School.
6. To grasp the challenge of the School's diversity and market it accordingly.
Ongoing progress, with renewed focus on international pupils, HM Forces pupils, London families, day pupils and musicians. We are also keen to focus on UK boarding pupils of all ages, including Prep School age.
7. To maintain the commitment to continuous improvement in the delivery of the School's elite music programme and to widen it's offering to embrace more fully commercial genres. To increase engagement with the wider community via the Cedars Hall arts complex.
Progress continues. The outreach of Cedars Hall is ever-growing (notwithstanding its need to physically close for much of the last financial year because of Covid). We have been setting up a Wells International Music offering to enable those from abroad or elsewhere in the UK to access the superb 1:1 music teaching Wells provides online. And we are launching a Sacred Music Course as an additional strand of our Music Specialism to take advantage of our unique position here at Wells as a Senior School, a Music Specialist School and a Cathedral. We have also undertaken a review of our Enterprises structure (which is ongoing), of which Cedars Hall is a part, with the aim of maximising both our outreach and potential income from external sources, funds from which can then be used to support further the School's core educational aims.

Governors Report (*continued*)

8. To further enhance pastoral care and the wellbeing of the whole community.
We have reviewed the tutoring programme in the Senior School with a new structured programme in place from September 2021. Our Personal, Social, Health and Economic (PSHE) curriculum will be reviewed following the appointment of a new Head of PSHE. We have increasing numbers of staff trained as mental first aiders, and the whole staff engaged in training in mental wellbeing for all at the start of the 2021/22 academic year. Other projects, including possible developments of the site to support wellbeing, are under consideration.
9. To plan the funding and delivery of the next capital projects to extend and enhance educational, sport and boarding facilities.
An ongoing Estates Plan is being followed with a prioritization list under constant review.

The School has monitored performance against key indicators throughout the year. At Wells there are many unseen exam factors, not least that many of the most able pupils at this stage in their development do fewer GCSEs or A levels than at other Schools; this may be because of their musical programme or because so many individual pathways are crafted. The main criterion for entry into the School at any level is that the girl or boy will be able to flourish and to help other people to do so as well. However there is also a need to make sure that any individual who joins the Wells family can succeed in ways that they want to academically. This means providing honest and kind advice to Sixth Form pupils in relation to their preferred route of study.

Large numbers of pupils go to Oxford, Cambridge and other Russell Group universities as well as many excellent universities across the world, or on to eminent music conservatoires around the world, often with significant scholarships. Wells focuses most on how they will use all their education to be flexibly minded people of integrity, balance and determination. Our emphasis on independent learning has meant that a significant number of pupils take the Extended Project Qualification, as well as the GCSE level Higher Project Qualification.

GCSE and A level grades were, of course, awarded in the summer of 2021 in a rather different way to normal owing to the Teacher Assessed Grade process adopted because of the cancellation of terminal exams owing to Covid. Nonetheless, the School performed extremely well. At GCSE level, 18.2% of all grades awarded were Grade 9; 61.9% of all grades fell within the Grade 9 to 7 range (equivalent to A* to A under the old system) and 96.7% were in the range Grade 9 to 4 (A* to C equivalent). At A level, 27.8% of grades awarded were A*, with 93.4% falling in the A* to C range. Over 80% of pupils achieved their first choices of university or conservatoire; this includes three pupils who took up places at Oxbridge (two of whom go as organ scholars) as well as about 70% taking up places at other Russell Group universities, Music Conservatoires or other prestigious international establishments.

Instrumental music exam results have again been excellent throughout the year, with several pupils achieving diploma level qualifications in a range of instruments and voice. In the Sixth Form, the A Level Biology and Chemistry Departments will be following the Edexcel syllabus from now on. The specification is more appropriate for our pupils and ensures consistency from GCSE and between all the Science subjects.

The School continues to strengthen and develop its links with partner institutions at home and abroad. Regrettably, the Covid pandemic prevented live performances for most of the academic year and, of course, tours could not be contemplated either in the UK or overseas. Nonetheless, Wells has maintained contact with representatives of several partner schools, e.g. the Yew Chung International School, the Alliance Primary School and Wah Yan College in Hong Kong; likewise with the Hong Kong Academy for Performing Arts. The Hong Kong charity's mission to 'enrich the musical life of Hong Kong through its talented young musicians' has seen continued funding of Hong Kong Scholars who have joined the School since September 2016. The Director of Music is in regular contact with UCSI University (Kuala Lumpur Campus) and the Moscow Conservatory. Wells is a founder-member of Young Music Talents Europe, a collaborative network of specialist music schools across Europe, which is committed to sharing expertise and good practice in the coaching of elite instrumentalists and vocalists. The Director and Deputy Director of Music have attended on-line meetings throughout the year with representatives of these schools.

Whilst Covid has been extremely detrimental in so many respects, we have continued to invest in our on-line resources and have been able to deliver all of our academic and music provision including the 750 1:1 instrumental and vocal lessons each week when pupils have not been on site and often a 'blended' mix of on-site and on-line provision to cater for those on campus and those having to learn remotely.

Governors Report *(continued)*

We have also been able to reach out by conducting on-line auditions and interviews for all those interested in studying at the School and, for musicians, delivering consultation and regular music lessons for pupils who have expressed an interest in coming to Wells. Furthermore, we are now about to launch Wells Music International, an initiative which will offer a combination of on-line 1:1 music coaching, the opportunity to perform in group performance classes, study music theory and history and benefit from mentoring which will be offered globally during our own term-times alongside on-site residential courses for those on this programme during the Easter and Summer breaks.

The School maintains its link in Sierra Leone with the Ballanta Academy.

FINANCIAL REVIEW

The financial performance for the period has been influenced by challenging environmental conditions. The average pupil numbers have decreased from last year by a total of 12 (*2020: decreased 22*) pupils across the Junior and Senior Schools and the demand for Bursary and other discount funding for pupils has risen by £50k. The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level of surplus.

Consolidated Operating Results

The operating environment for the period was challenging: Senior pupil numbers decreased by 1.98% (*2020: decrease by 0.17%*); bursaries and discounts increased by 1.70% (*2020: decreased by 3.34%*); and donations received by the Foundation increased by 20.83% (*2020: decreased by 19.63%*). The scholarships awarded increased to £381k (*2020: £304k*), an increase of 20.21%. The level of gross fee income, the School's charitable income, has decreased to £18,772k (*2020: £19,295k*). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision.

The Board of Governors resolved this year to bring the financial year end in line with the academic and holiday year end, which is 31 August. As well as aligning the financial year with the School's operating/academic year, it enables estate projects to be started and completed within the same financial period. Consequently, this set of consolidated financial statements is for a period of 13 months. The financial performance of the School for the 12 months ended 31 July 2021 produced a surplus of approximately £464k. If this figure had been utilised to verify compliance with the finance covenant, it would have resulted in a positive debt servicing ratio. This figure is the measure of operating performance that the Board considers most accurately reflects the financial operating position of the School. The bank has agreed to waive compliance with its debt financial covenant which was breached based on the performance for the 13 months ended 31 August 2021.

The consolidated net result for the 13 month period was a deficit of £49k (*2020: surplus of £797k*) which is composed of the net deficit of the School of £411k (*2020: £689k*) and a net surplus from the Foundation of £362k (*2020: £108k*). The consolidated results for the period are set out in the Statement of Financial Activities (SOFA) on page 24. Under accounting rules for charities this statement combines transactions of a capital and revenue nature. The operating results for the two constituent charities are outlined below.

Consolidated Activities

During the period the School produced an operating surplus of £310k (*2020: surplus of £1,475k*) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a deficit of £272k (*2020: surplus of £916k*).

Governors Report (*continued*)

The consolidated activities are summarised below:

	2021	2020
	£000	£000
Income from charitable activities (charitable activities per SOFA plus the School bursaries and discounts)	18,772	19,295
Operating costs of School		
School bursaries and discounts	(3,836)	(4,344)
Expenditure on charitable activities (excluding depreciation)	(14,626)	(13,476)
Operating surplus of the School (13 months)	310	1,475
Less:		
Depreciation	(574)	(545)
Premises - non recurring projects	(8)	(14)
Net operating surplus (13 months)	(272)	916
Income from generated funds	322	390
Realised (loss)/gain on investments	238	(34)
Cost of generating funds	(331)	(401)
Cost of charitable activities not part of operating costs	(6)	(74)
Net income in SOFA (13 months)	(49)	797

Analysis of the business using Key Performance Indicators (KPI's)

KPI	2021	2020	2019
Net fee income growth % **	1%	(6%)	6%
Bursaries, scholarships and discounts as % of gross fees **	22%	25%	13%
Donations and legacies as a % of gross fees	1%	1%	1%
Teaching staff costs as a % of gross fees	39%	36%	39%
Welfare costs as a % of gross fees	5%	5%	5%
Premises costs at a % of gross fees	21%	19%	19%
Operating surplus/(deficit) % of the School	2%	8%	6%

The 2021 KPIs are for a period of 13 months.

The gross fees for these KPIs were £17,499k (2020: £17,806k) (note 3).

The net fees received were £13,633k (2020: £13,462k) (note 3).

The Operating deficit of the School was £411k (13 months)

** Savings of £469k (2020: £1.2m) were passed on to parents due to Covid. If this discount was removed, the 2021 percentages would read:

- Net fee income growth 3.6% (2020: 2.5%); and
- Bursaries, scholarships and discounts as % of gross fees 19% (2020: 12%).

Governors Report (continued)

Operating result of Wells Cathedral School Foundation

During the period the Foundation received £199,844 (2020: £197,100) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the period under review totalled £98,545 (2020: £75,796). This period its operating costs of £44,634 (2020: £58,446), including staff costs and other direct costs associated with the Foundation, were borne by the School. The net movement in funds of the Foundation was a surplus of £361,944 (2020: £108,588).

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Governors of the School and Trustees of the Foundation may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income. The investment objective is to outperform the MSCI Wealth Management Association Growth Index return which over this period was 24.8% (2020: -5.9%). Over the same timeframe the portfolio outperformed the index return by 2.8% (2020: 4.5%) after all costs.

The Foundation's endowment funds have been entrusted to Smith & Williamson Investment Management to invest in a portfolio of equities, funds, bonds and cash. The investment is classed as a non-current asset as it will be held for longer than 12 months. The investment objectives and risk parameters are reviewed every year by the Foundation's investment committee.

The Foundation has adopted the "total return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total return will be available to be used to award bursaries to pupils of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the period under review, (2020: £nil) other than donations to the School of £98,545 (2020: £75,796), as disclosed in its Statement of Financial Activities. The Foundation's grant making policy is to make donations only to the School.

Reserves Policy

The total funds held by the group at the period end were £19,236k (2020: £19,285k). The Governors have designated an asset fund so that a framework exists for them to assess appropriate levels of free reserves, as recommended in the Charity Commission guidance paper, "Charities Reserves". Free reserves are defined in the guidance paper as excluding not only funds that are for restricted purposes but also those designated by the Governors for a particular purpose, and any funds only realisable by disposing of fixed assets held for charity use. One thrust of the guidelines is to highlight those charities that are carrying excessive free reserves.

The free reserves in the Consolidated Balance Sheet, as defined by the guidelines, are a deficit of £5,187k (2020: deficit of £4,705k) at the end of the financial period. The Governors take comfort from the fact that the School holds significant unrestricted but designated reserves. The Governors believe that, over time, a prudent level of free reserves, consistent with the business risks of the School, equivalent to six months operating costs should be accumulated. The proposed level of such a reserve has yet to be determined, but is considerably higher than the current level of free reserves. It is unlikely that the target will be achieved for many years because of the previous and ongoing policy of the Governors to improve the facilities of the School through the investment of surpluses in School assets.

Restricted Funds

The balance of the restricted funds at the end of the period was £4,003k (2020: £3,965k). These funds are held for capital projects, bursary funds and projects funded by the Department for Education. The balance includes the restricted fund net movement of £(2)k (2020: £140k) from the Foundation.

Governors Report (continued)
Designated Asset Fund

The balance of the designated asset fund at the end of the period was £19,350k (2020: £19,169k). This fund represents the net book value of the majority of tangible fixed assets.

Endowment Funds

The endowment funds represent donations received to provide bursaries. Total endowment funds had increased to £1,070k (2020: 856k) by the end of the period. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Bursaries, Scholarships and Fee Discounts

The following fee discounts were provided to parents of pupils at the School during the academic year:

	Number of pupils		Value £000	Value £000	% of gross fee income	% of gross fee income
	2021	2020	2021	2020	2021	2020
School bursaries	279	262	1,135	1,125	6.49%	6.39%
Bursaries from the Foundation	5	6	58	48	0.33%	0.27%
Music and Dance Scheme	80	80	946	919	5.41%	5.22%
Scholarships	166	155	381	304	2.18%	1.73%

Value of fee reductions provided to children of:

	Value £000	Value £000	% of gross fee income	% of gross fee income
	2021	2020	2021	2020
Members of the clergy of the Church of England	17	19	0.10%	0.11%
Members of the armed forces	19	22	0.11%	0.13%
Former pupils of the School	28	24	0.16%	0.14%
Parents with more than one child at the School	149	142	0.85%	0.81%
Employees of the School	572	568	3.27%	3.23%
Children of ex-choristers of the School	62	21	0.35%	0.12%
Total	3,367	3,192	19.25%	18.14%

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total £3,367k includes £58k of restricted Foundation bursaries.

The level of support included 2 free places (2020:2) worth £64k (2020: £63k).

The Music and Dance Scheme (MDS) discounts are subsidies provided to parents of pupils whose places are funded by the MDS, as such funding is capped by the Department for Education (DfE). Support by the DfE to these pupils is also means tested.

Scholarships are awarded to recognise a pupil's academic or sporting achievement, and are not means tested, although additional means tested support in the form of a bursary might also be considered where appropriate.

Governors Report (*continued*)

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. Detailed consideration of risks is delegated through the Head Master to the Head of Junior School and Bursar, who are assisted by other members of the Senior Management team and other leadership groups in the School. Risks are identified and assessed, and controls established throughout the year. A register of key risks has been created and, together with the School's risk management process, is reviewed formally by the Governors on an annual basis.

Specific risks identified include: public benefit and charitable status, changes to the cost of the Teachers' Pension Scheme, the future of the Music and Dance Scheme against a background of continued Government spending reviews, possible risks to the wellbeing of pupils and financial risks (described in more detail below). These risks are mitigated through regular monitoring of government decisions and through the School's established Board sub-committee and established health and safety framework. The School has recorded all activities that give rise to a public benefit in support of its status as a charity.

For the second financial/academic year the Covid pandemic had a considerable impact on the operation of the School, with the physical closure of the site to most year groups during the Epiphany/Lent (Easter) term and a revised fee schedule funded by concomitant operational savings, as well as ongoing increased costs of Covid security measures. The Board is aware of the residual risks posed by the pandemic, including but not limited to: the health and welfare of pupils, staff and visitors; the operational, social and economic impact of further waves of infection; reduced confidence of the overseas boarding market in the safety of UK education; and the impact of economic damage precipitated by the pandemic.

The School is still awaiting the emergence of a clear picture on the impact of the exit from the EU. Initial response from families and educational agents from continental Europe was that of disappointment in the increased bureaucracy and cost involved in obtaining permission to study in the UK. However, at present there has been no discernible practical impact on existing EU pupils or those imminently joining the British independent education system, especially within the context of the much greater uncertainty created by the Covid pandemic.

Financial risk management covers:

- Income risk – The School's cost base operates predominantly on a fixed cost basis and its surplus is equivalent to a relatively small percentage of income. This high level of operational gearing means that the School's ability to generate surpluses is sensitive to fluctuations in pupil numbers;
- Price risk – Fees are subject to annual reviews. Salary costs are communicated to staff during the formal annual review of salaries. Prices of significant materials purchased are subject to contracts with suppliers, based on current market prices and obtaining at least three quotations;
- Credit risk – The credit risk on amounts owed to the School by its parents is low, due to the nature of the income being received;
- Liquidity risk – The School has completed a number of significant capital projects: the construction of a music learning and performance building, a sports pavilion, and a boarding facility, as well as acquiring and converting a second, plus the replacement of the School's astroturf pitch. The School has prepared cash flow forecasts and is monitoring these regularly;
- Interest rate risk – The School has five bank loans secured on property on which it pays interest at 0.9 to 1.5% above base rate. An interest offset arrangement is in place on two of the loans (see note 17);
- Treasury risk – The School's long-term, capital and working capital cash-cycle requirements mean that the School maintains deposits in cash and cash equivalents as well as longer term investments. These holdings expose the School to the risk of loss through investments whose risk profile does not include a guaranteed return and/or from the failure of the organisations holding the investments. The investments held by the group are actively managed by an investment manager, in accordance with an investment

Governors Report (*continued*)

- policy set by the investment committee of the Foundation, which considers the risk and return profile, duration and disbursement of the funds on deposit/invested; and
- Risk of Imposition of Additional Statutory Charges – The School (along with the rest of the independent sector in the UK) faces the risk of the imposition of additional statutory charges and taxes. This includes, but is not limited to, the application of VAT on fees, and the removal of the charitable dispensation on business rates.

The key controls used by the School to manage identified risks include:

- Formal agendas for all committee and Board activity;
- Terms of reference for all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- A register of key risks, identifying and assessing the risks as well as a responsible manager and risk mitigation strategy for each risk;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established by the School, the Governors are satisfied that the major risks identified have been mitigated where deemed appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Statement of Governors' Responsibilities

The Governors are responsible for preparing the Governors' report and the Financial Statements in accordance with the going concern basis under the historic cost convention, with the exception of listed investments which are held at fair value, in accordance with applicable accounting standards in the United Kingdom including the Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) Statement of Recommended Practice (FRS 102) 'Accounting and Reporting by Charities' ("the Charities SORP"), the Charities Act 2011 and the Companies Act 2006.

Company law requires the Governors to prepare Financial Statements for each financial period. Under company law the Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these Financial Statements, the Governors are required to:

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

The Governors are responsible for ensuring that adequate accounting records are kept by the School that are sufficient to show and explain the group's transactions, disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and the provisions of the School's constitution. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the provision and detection of fraud and other irregularities.

Governors Report (*continued*)

Statement on Disclosure of Information to the Auditor

So far as each Governor is aware, there is no relevant audit information of which the School's auditor is unaware. The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the School's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Independent Auditor

Crowe U.K. LLP has indicated their willingness to accept reappointment as the School's auditors and a resolution for their reappointment will be proposed at the annual general meeting.

The Governor's report, including the strategic report, was approved by the board of Governors of Wells Cathedral School Limited on 7th December 2021 and signed on its behalf by:



The Very Reverend Dr John Davies
Chairman of Governors

Independent Auditor's Report to the Members of Wells Cathedral School Limited

Opinion

We have audited the financial statements of Wells Cathedral School Limited ('the charitable company') for the period ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, School Balance Sheet, Consolidated 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 group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the 31 August 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees 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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Council and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over non-fee income, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin
Senior Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Date 16 February 2022

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the period ended 31 August 2021 (13 months)

	<i>Note</i>	Endowment funds £000	Restricted funds £000	Unrestricted revenue £000	Designated Asset funds £000	Total 2021 £000	Total 2020 £000
INCOME FROM:							
Charitable activities:							
Fees receivable	3	-	-	13,663	-	13,663	13,462
Other educational income	4	-	-	1,074	-	1,074	1,342
Other ancillary trading income	4	-	-	199	-	199	145
Donations & legacies	5	-	152	55	-	207	207
Other trading activities	5	-	-	90	-	90	161
Income from investments	6	23	2	-	-	25	24
Total Income		23	154	15,081	-	15,258	15,341
EXPENDITURE ON:							
Raising funds	7	-	-	(331)	-	(331)	(401)
Charitable activities	7	-	(86)	(14,634)	(494)	(15,214)	(14,109)
Total Expenditure		-	(86)	(14,965)	(494)	(15,545)	(15,510)
(Loss)/gain on investments	13	218	20	-	-	238	(34)
Net income/(expenditure)		241	88	116	(494)	(49)	797
Transfers between funds	18,19,20	(27)	(50)	(598)	675	-	-
Net movement in funds		214	38	(482)	181	(49)	797
Fund balances brought forward at 1 August 20	18,19,20	856	3,965	(4,705)	19,169	19,285	18,488
Fund balances carried forward at 31 August 21	18,19,20	1,070	4,003	(5,187)	19,350	19,236	19,285

The notes on pages 29 to 54 form part of these Financial Statements.

Wells Cathedral School Limited (limited by guarantee)
Consolidated Balance Sheet
Period Ended 31 August 2021

Consolidated Balance Sheet as at 31 August 2021/31 July
Company Number 564883

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	12	22,976	23,061
Investments	13	1,247	879
Current assets			
Stocks		6	13
Debtors	15	1,374	1,207
Cash at bank and in hand	21	2,090	966
Total current assets		3,470	2,186
Creditors: amounts falling due within one year	16	(5,514)	(3,791)
Net current liabilities		(2,044)	(1,605)
Total assets less current liabilities		22,179	22,335
Creditors: amounts falling due after more than one year	17	(2,943)	(3,050)
Net assets		19,236	19,285
The funds of the group			
Endowment funds	18	1,070	856
Restricted funds	19	4,003	3,965
Unrestricted funds:			
Revenue fund		(5,187)	(4,705)
Designated asset fund	20	19,350	19,169
Total unrestricted funds		14,163	14,464
Total funds		19,236	19,285

These Financial Statements were approved by the Board of Governors on 6th December 2021 and were signed on its behalf by:

Mr Andrew Campbell-Orde

Governor



The Very Reverend Dr John Davies

Chairman of Governors



The notes on pages 29 to 54 form part of these Financial Statements


School Balance Sheet as at 31 August 2021/31 July
Company Number 564883

	Note	2021	2020
		£000	£000
Fixed assets			
Tangible assets	12	22,976	23,061
Current assets			
Stocks	6		13
Debtors	15	1,410	1,121
Cash at bank and in hand	21	1,679	674
Total current assets		3,095	1,808
Creditors: amounts falling due within one year	16	(5,508)	(3,788)
Net current liabilities		(2,413)	(1,980)
Total assets less current liabilities		20,563	21,081
Creditors: amounts falling due after more than one year	17	(2,943)	(3,050)
Net assets		17,620	18,031
The funds of the School			
Restricted funds	19	3,511	3,569
Unrestricted funds:			
Revenue fund		(5,241)	(4,707)
Designated asset fund	20	19,350	19,169
Total unrestricted funds		14,109	14,462
Total charity funds		17,620	18,031

The net movement in funds for the School in the 13 month period is a deficit of £411k (2020:£689k).

These Financial Statements were approved by the Board of Governors on 6th December 2021 and were signed on its behalf by:


Mr Andrew Campbell-Orde
Governor


The Very Reverend Dr John Davies
Chairman of Governors

The notes on pages 29 to 54 form part of these Financial Statements.

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Cash Flows
Period Ended 31 August 2021

Consolidated Statement of Cash Flows
For the period ended 31 August 2021/31 July

	Note	2021		2020	
		£000	£000	£000	£000
Net cash provided by operating activities	24		1,957		1,307
Cash flows from investing activities:					
Income received from investments	6	25		23	
Proceeds from sale of investments	13	64		240	
Purchase of tangible fixed assets	12	(495)		(237)	
Disposal of tangible fixed assets	12	6		-	
Sale of property		-		520	
Purchase of investments	13	(130)		(262)	
Net cash used in investing activities			(530)		284
Cash flows from financing activities:					
Repayment of bank loans	26	(222)		(673)	
Payment of interest	11	(46)		(64)	
Net cash used by financing activities			(268)		(737)
Change in cash and cash equivalents in the reporting period	25,26		1,159		854
Cash and cash equivalents at the beginning of the reporting period	25		993		174
Cash and cash equivalents at the end of the reporting period			2,152		993
Cash and cash equivalents					
Cash at bank and in hand	25	2,090		966	
Cash held by investment manager	13	62		(27)	
		2,152		993	

The notes on pages 29 to 54 form part of these Financial Statements

Notes

1 Company Status

The School is a Charitable Company, registered in England and Wales (company number: 564883) limited by guarantee, and not having any share capital. The members undertake to contribute to the assets of the company in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member would be £1. The School is also a Charity registered in England and Wales (Charity Number: 310212).

2 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's Financial Statements. There have been no material changes to accounting policies since the prior year.

Basis of Preparation

The Financial Statements have been prepared on the going concern basis under the historic cost convention with the exception of listed investments which are held at fair value, in accordance with applicable accounting standards in the United Kingdom including the Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) Statement of Recommended Practice (FRS 102) 2015 'Accounting and Reporting by Charities' ("the Charities SORP"), the Charities Act 2011 and the Companies Act 2006.

The School is a public benefit entity and its functional and presentational currency is the pound sterling. The School's registered and principal address is College Road, Wells, Somerset. BA5 2SX.

Going Concern

The accounts have been prepared on the going concern basis as the directors consider this to be appropriate.

The Governors have prepared cash flow forecasts for a period of more than 12 months from the date of approval of these financial statements which indicate that, taking account of reasonable possible downsides, the group will have sufficient funds to meet liabilities as they become due. The directors have specifically assessed the impact that Covid will have on the ability of the Group to continue as a going concern. The Covid virus has had a significant economic impact on the global economy and at the date of this report there remains uncertainty as to the full impact. We have expanded on the current situation below.

The School is continuing to operate within government guidelines applicable during the second lockdown period and with all necessary precautions in place. However, in preparing the forecasts we have considered further severe but plausible downside scenarios. None of the scenarios indicates that the group would have insufficient funds to meet its liabilities as they fall due or fail to comply with its banking covenants. As part of this the School agreed a waiver of the main borrowing covenant until August 2021 in order to ensure ongoing compliance and give the School maximum flexibility to manage its cash position. As a result the Governors consider that it remains appropriate to adopt the going concern basis in the preparation of the financial statements.

The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as the continuing employment of staff.

Basis of Consolidation

These Consolidated Financial Statements include the Financial Statements of Wells Cathedral School Limited ("the School") and The Wells Cathedral School Foundation ("the Foundation").

The Foundation is not a direct subsidiary of the School but has been consolidated into the School's Financial Statements. Under accounting standard FRS102 the Foundation is classified as a quasi-subsiary as the School indirectly controls and directs the Foundation's activities from which the School benefits. The Charities SORP states that where the objects of the Charity (Foundation) are substantially or exclusively confined to the benefit of another Charity (i.e. the School) and where the School influences the Foundation in its operational plans, i.e. the

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

nature and timing of support, then the criteria for consolidation of the Financial Statements are deemed to have been met.

These Financial Statements consolidate the results of the School and the Foundation on a line by line basis. The results of the Foundation are disclosed in note 30 of these Financial Statements.

In accordance with the provisions of s408 of the Companies Act 2006 and paragraph 397 of the Charities SORP, the School is exempt from the requirement to present its own income and expenditure account and statement of financial activities. The two subsidiaries, Wells Cathedral School (Hong Kong) Ltd and Wells Cathedral International School (Hong Kong) Limited are dormant so are not included in the consolidation.

Income

Income in furtherance of the School's activities represents the amounts (excluding value added tax), derived from the provision of educational services and boarding facilities to the pupils during the year, and is accounted for on a receivable basis.

School fees received in the current year in respect of the next academic year are not recognised as income in the current year and are transferred to fees received in advance and included in creditors in the balance sheet.

Deposits received from pupils' parents are held in creditors and are classified as falling due within one year. Deposits are repaid when the pupil leaves the School.

Other income (excluding fee income) in furtherance of the group's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, are accounted for on an accruals basis. Such income is recognised when there is a legally binding commitment to the Foundation for the transfer of funds. Donations of assets are brought into the balance sheet and statement of financial activities at market value, at the date of acquisition. Gift aid on donations is subsequently applied for where appropriate;
- Legacies, which are accounted for at the earliest of receipt of estate accounts or cash received. An assessment is performed post year end of up to two months. Any legacies received are considered, their value reliably measured and then accounted for appropriately;
- Income from investments, which represents the interest and dividends earned during the year from bonds, deposits, and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis;
- Other educational income, which comprises educational income other than fees;
- Ancillary trading income which comprises income associated with the provision of education by the School such as the School bus and external concerts; and
- Other trading activities, which comprise income generated from lettings, hire of the School's facilities and external functions.

Accrued Income

When, as a result of performing a service or otherwise meeting the requirements of any arrangement with a third party, income falls due but has not been invoiced at the year end, an accrual is made for this income.

Grants

Grants received in respect of revenue expenditure are credited to income when there is evidence that entitlement to the gift receipt is probable and the amount can be measured reliably.

Grants in respect of fixed assets are recognised as the statement of financial activities when they are receivable, i.e. when the School is entitled to the income. Grant income is deferred on the balance sheet where pre-conditions exist that require the expenditure to be incurred in a future period or where there is uncertainty as to whether the School will be able to fulfil the pre-conditions attached to the grant or part thereof.

Scholarships, Bursaries and Discounts

Scholarships, bursaries and discounts are awarded to certain pupils who attend the School and are accounted for as a reduction in fees. Each award made is matched against fee income for that pupil at the time the fee invoice is raised. Each award is reviewed annually.

Expenditure

All expenditure is included in the statement of financial activities on an accruals basis. Costs directly attributable to a specific expense heading are allocated to that heading. Expenditure is recognised when a liability is incurred and in the following categories:

- Expenditure on raising funds, which consist of costs incurred in attracting voluntary income;
- Charitable activities, which comprise expenditure incurred in teaching, boarding and music programmes and include both the direct costs and support costs relating to these activities;
- All expenditure, including support costs, is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it is incurred;
- Termination/redundancy payments are accounted for as soon as the School is aware of the obligation to make payments.

Pension Costs

The teaching staff are members of the Teachers' Superannuation Scheme, which is a defined benefit scheme. Under the definitions set out in FRS 102, the teachers' pension scheme is a multi-employer pension scheme.

Accordingly the School has taken advantage of the exemptions available to multi-employer pension schemes and contributions to the scheme are charged to the statement of financial activities when they are payable.

Some other employees are members of a money purchase pension scheme operated by an insurance company on behalf of the School. The amounts charged against income represent the contributions payable to the schemes in respect of the accounting period.

Tangible Fixed Assets and Depreciation

All tangible fixed assets are accounted for at cost less accumulated depreciation. Cost includes the original purchase price of the asset plus the costs attributed to bringing the asset to its working condition for its intended use. Depreciation is provided by the School to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings	- 1-10% per annum
Long leasehold land and buildings	- 1-2% per annum
Fixtures and fittings	- 2-12.5% per annum
Musical instruments and machinery	- 10% per annum
Information and communications technology equipment (including computer and data communications equipment)	- 25% per annum
Motor vehicles	- 12.5% per annum

The useful economic lives and residual value of fixed assets are reviewed annually.

No depreciation is provided on freehold land. The capitalisation threshold is £1,000. Items under this level are expensed to the statement of financial activities.

Assets in the course of construction are not depreciated until they are completed and brought into use.

Investments

In accordance with the Trust Deed, the Trustees of the Foundation may authorise its funds to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income, and to invest other funds received in bank deposits and bonds at attractive rates of interest. The basis for determining fair value is the quoted market price in an active market.

Any gains and losses on sale or revaluation of investments are recorded within the Statement of Financial Activities.

The Foundation has adopted the "Total Return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total returns earned on the investments will be available to be used to award bursaries to pupils at the School.

Stocks

Stocks are stated at the lower of cost and net realisable value and using the "first in first out" method. Cost represents the invoice value charged by suppliers. Stocks are reviewed annually and a provision created for any slow moving stock where necessary.

Debtors

Other debtors, intercompany debtors and accrued income are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and Cash Equivalents

Cash is represented by cash in hand.

Creditors

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Fees Received in Advance

Fees received in advance of education to be provided in future years under a pre-paid fees scheme contract are held as liabilities and treated as deferred income until either taken to income in the School term when used or are otherwise refunded.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the statement of financial activities on a straight line basis over the life of the lease.

Repairs Provision

In accordance with the requirements of the block lease, the School commissions a five yearly survey of the state of the repairs of the leased buildings. The surveyor's suggestions and recommendations for repairs are then categorised into major repair works and ongoing repairs. The School undertakes the major repair work within its ongoing programme of maintenance over a five year period. A provision is created equal to the cost of any works

which were identified in the surveyor's report but which have not been completed at the end of the subsequent five year period.

Endowment Funds (restricted)

Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Restricted Funds

These funds have been donated for specific purposes, such as bursaries, scholarships, capital projects or projects funded by the Department for Education.

Capital Fund (restricted)

The capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, when the Trust was closed, and contributions by the trust towards capital projects undertaken by the School ceased. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

Revenue Fund

The revenue fund represents the working capital of the School. Part of this fund has been designated as an asset fund.

Designated Asset Fund

The Governors have elected to designate funds equal to the value of land and buildings which are not held within the restricted funds. The asset fund therefore represents the net book value of the tangible fixed assets not funded by the capital fund, less outstanding loans secured on specific assets.

Transfers between reserves

Transfers between revenue and designated funds are made at the Governors' discretion to set aside funds as required. Expenditure on new tangible fixed assets not funded by the capital fund, less any outstanding loans secured on these assets, is transferred to designated reserves. Transfers between revenue and restricted funds reflect the depreciation charge on the capital fund and any purchases of restricted assets.

Financial Instrument Policy

The group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently measured at their amortised cost or fair value depending on the nature of the financial instrument.

Critical Accounting Judgements and Estimation of Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements

The Governors do not believe that any critical judgements have been made in preparing the Financial Statements.

The accruals and prepayments are calculated based on firm or historical evidence, except pledges which are included based on a firm judgement by the Foundation.

(b) Estimates and assumptions

The estimates and assumptions made by the group consist mainly of an allocation of the School's development department's operating costs associated with the Foundation and the useful economic lives and residual value of the School's fixed assets. These reasonable estimates are based on the knowledge of key management personnel.

Taxation

The School and Foundation, which are registered charities, are not liable to taxation on the net revenue from their primary activity or investment income and gains.

The School is registered for Value Added Tax and is subject to the partial exemption rules.

3 Fees Receivable

	2021	2020
	£000	£000
Fees receivable consist of:		
Tuition and boarding fees	15,628	15,974
Music tuition fees	1,870	1,832
 Total fees	<hr/> 17,499	<hr/> 17,806
Less: DfE Cap - Tuition and boarding fees	(946)	(919)
Bursaries, scholarships and other discounts	(2,421)	(2,225)
Covid related discounts	(469)	(1,200)
	<hr/> 13,663	<hr/> 13,462

The Department for Education cap is the contribution by the School to cover any shortfall which arises because the fees allowed by the DfE for the Music and Dance Scheme are lower than full fees. The bursaries do not include the restricted bursaries donated from the Foundation of £58k (2020:48k).

4. Income from Charitable Activities

	2021	2020
	£000	£000
Other educational income:		
School activities	415	417
Extra tuition	134	150
Wells Music College income	10	14
Registration and audition fees	36	28
Other income	17	42
Covid related income	462	691
	<hr/> 1,074	<hr/> 1,342

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

	2021 £000	2020 £000
Other ancillary trading income:		
Bus service for pupils	46	45
Concert income	2	16
Other income	151	84
	<hr/> 199	<hr/> 145

5 Income from Donations and Legacies

	Group			
	2021 £000	2020 £000		
<i>Unrestricted:</i>				
Donations and legacies:	55	-		
	Group		School	
	2021 £000	2020 £000	2021 £000	2020 £000
<i>Restricted/Endowed:</i>				
Donations:				
Donations (restricted)	144	193	-	74
Donations to Music (restricted)	8	10	8	10
Donations (endowed)	-	4	-	-
	<hr/> 152	<hr/> 207	<hr/> 8	<hr/> 84

Donations to the School from the Foundation totalled £98k (2020: £76k), including bursaries of £58k (2020: £48k); net restricted donations received by the Foundation totalled £144k (2020: £193k) and donations to endowed funds were nil (2020: £4k).

	2021 £000	2020 £000
Other trading activities:		
Lettings	-	27
Hire of facilities	2	10
Functions/concert income	63	93
Solar panels	26	15
Rental	-	6
Surplus on fixed asset disposals	(1)	10
	<hr/> 90	<hr/> 161

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

6 Income from Investments

	Group		School	
	2021	2020	2021	2020
	£000	£000	£000	£000
Interest from short-term deposits	-	1	-	1
Income earned on endowment funds transferred to restricted funds	2	23	-	-
Income earned on endowment funds	23	-	-	-
	<u>25</u>	<u>24</u>	<u>-</u>	<u>1</u>

7 Expenditure

	Staff costs	Other	Depreciation	Total	Total
	£000	£000	£000	2021	2020
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
Fundraising trading costs	206	80	-	286	342
Fundraising for voluntary costs	33	12	-	45	59
Total expenditure on raising funds	<u>239</u>	<u>92</u>	<u>-</u>	<u>331</u>	<u>401</u>
Expenditure on charitable activities:					
Teaching costs	6,806	286	84	7,176	6,679
Welfare costs	756	135	-	891	811
Premises - general	1,425	1,724	490	3,639	3,264
- non recurring projects	-	8	-	8	14
Support costs	1,902	1,070	-	2,972	2,818
School activities	-	415	-	415	417
Ancillary trading	43	70	-	113	106
Total expenditure on charitable activities	<u>10,932</u>	<u>3,708</u>	<u>574</u>	<u>15,214</u>	<u>14,109</u>
Total expenditure	<u>11,171</u>	<u>3,800</u>	<u>574</u>	<u>15,545</u>	<u>14,510</u>

8 Support costs

	Costs of generating funds £000	Other charitable activities £000	Total 2021 £000	Total 2020 £000
Staff costs	239	1,902	2,141	1,957
Other support costs:				
Staff expenses/development	-	82	82	80
Office	92	844	936	909
Professional advice	-	55	55	172
Finance costs	-	63	63	82
<i>Services provided by the School's auditor:</i>				
Fees payable for the audit (including Foundation)	-	24	24	14
- Teachers' Pension Certificate	-	1	1	1
- Companies in Hong Kong	-	-	-	4
	<u>331</u>	<u>2,971</u>	<u>3,302</u>	<u>3,219</u>

Included within the support costs are governance costs of £42k (2020: £44k) which mainly comprise the costs of administering the School, auditor's remuneration and Governors' meeting expenses.

9 Staff Numbers and Costs

The monthly average headcount number of persons employed by the group during the period, analysed by category, was as follows:

	Number of employees	
	2021	2020
Teaching staff	160	167
Non-teaching staff	226	222
	<u>386</u>	<u>389</u>

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	9,043	8,366
Social security costs	778	708
Pension costs (see note 23)	1,350	1,228
	<u>11,171</u>	<u>10,302</u>

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

The number of employees earning in excess of £60,000 per period (includes Employers NI Contributions):

	Number of employees	
	2021	2020
£160,001 - £170,001	1	-
£150,001 - £160,000	-	1
£140,001 - £150,000	-	-
£130,001 - £140,000	-	-
£120,001 - £130,000	-	1
£110,001 - £120,000	1	-
£100,001 - £110,000	1	1
£90,001 - £100,000	1	1
£80,001 - £90,000	1	-
£70,001 - £80,000	2	-
£60,001 - £70,000	1	3

Of the above employees, 7 (2020: 5) were members of the teachers' superannuation pension scheme which is a defined benefit scheme. The School's contribution to this was £114k (2020: £80k). The remaining one employee (2020: two) was a member of a money purchase pension scheme for which the School's contribution was £8k (2020: £12k).

The Governors did not receive any emoluments or benefits during the period (2020: nil). See note 29 for further information. The total amount earned by the executive officers for the year was £766k (2020: £734k).

Settlement payments of £33k (2020: £87k) were made to 2 (2020: 4) employees in the year.

10 Net Income/ (Expenditure) before Transfers

	2021	2020
	£000	£000
<i>Net income/(expenditure) before transfers is stated after charging:</i>		
Services provided by the School's auditor:		
Audit fees - School	18	12
- Foundation	1	2
- Hong Kong	-	4
Other services - Music and Dance Scheme grant audit	1	1
- Teachers Pension certificate audit	1	1
Rentals payable under operating leases		
- land and buildings	30	58
- other	154	136
Depreciation - owned assets	547	520
- leased assets	27	25
	<hr/>	<hr/>

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

11 Interest Payable

	2021 £000	2020 £000
Interest on bank loans and overdraft	46	64

12 Tangible Fixed Assets

Group and School	Freehold land and buildings	Assets in the course of construction	Leasehold land and building	Information computer technology	Fixtures, fittings, musical instruments and machinery	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<i>Cost</i>							
At 1 August 20	24,212	52	1,571	561	2,814	59	29,269
Additions	192	26	-	175	102	-	495
Disposals	-	-	-	-	(6)	-	(6)
At 31 August 21	24,404	78	1,571	736	2,910	59	29,758
<i>Accumulated Depreciation</i>							
At 1 August 20	2,828	-	857	483	1,990	50	6,208
Charge for the year	322	-	27	32	190	3	574
At 31 August 21	3,150	-	884	515	2,180	53	6,782
<i>Net book value</i>							
At 31 August 2021	21,254	78	687	221	730	6	22,976
At 31 July 2020	21,384	52	714	78	824	9	23,061

The School has a finance lease on properties leased from Wells Cathedral, which dates back to 1983. Due to the age of the lease, there is insufficient data to be able to accurately disclose the net amount of the associated asset and depreciation for the period. This is not considered to be material to the Financial Statements.

There is £688k (2020: 715k) in leasehold land and buildings which relates to long term lease improvements.

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

The £72k (2020: £52k) in “assets in the course of construction” is the continued capitalisation of the science quarter development.

13 Investments

Non-current investments

Group	
2021	2020
£000	£000
Investment management portfolio	879
1,247	879

The investment management portfolio is a portfolio of equities, bonds and cash managed by Smith & Williamson Investment Management, the majority of which comprises UK assets. They are categorised as non-current assets as they are held for longer than 12 months. Any gains or losses on sale or revaluation of investments are recorded within the statement of financial activities. The investment objective is to outperform the MSCI Wealth Management Association Growth Index return which over this period was 24.8% (2020: -5.9%). Over the same timeframe the portfolio outperformed the index return by 2.8% (2020: 4.5%) after all costs.

The investments are represented by the following funds:

Endowed funds – £1,070,288 (2020: £855,959)
Restricted funds – £176,724 (2020: £23,263)

Group	
2021	2020
£000	£000
Group and School	
Investments at valuation	
At 1 August 20	886
Additions at cost	262
Disposal proceeds	(286)
Income received	23
Cash held for re-investment	27
Net gain/(loss) on investments	(34)
1,246	878
Increase/(decrease) in cash for reinvestment	1
At 31 August 21	879

14 Stocks

These consist of catering supplies.

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15 Debtors

	Group		School	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors - amounts due from parents	892	501	899	501
Other debtors	240	339	275	339
Prepayments	242	367	236	281
	1,374	1,207	1,410	1,121

16 Creditors: amounts falling due within one year

	Group		School	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loans and overdrafts	222	202	222	202
Fees received in advance	2,076	154	2,076	154
Pupil deposits	2,187	2,184	2,187	2,184
Trade creditors	28	3	28	3
Taxation and social security	169	807	169	807
Finance lease	29	7	29	7
Other creditors	478	143	478	143
Accruals and deferred income	325	291	319	288
	5,514	3,791	5,508	3,788

In the normal course of business and assuming the going concern basis, the expected repayment of deposits to parents of pupils leaving the School will be £2,187k (2020: £2,184k).

Fees received in advance:

Group and School

	2021	2020
	£000	£000
At 1 August 20	169	395
New contracts	68	68
Fees received in advance of next academic year	1,923	-
Amounts utilised in payment of fees to the School	(26)	(294)
At 31 August 21	2,134	169

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	2021	2020
	£000	£000
Fees in advance - aged breakdown of fees:		
Fees falling due within:		
1 year	2,076	154
1 - 2 years	58	15
	<u>2,134</u>	<u>169</u>

17 Creditors: amounts falling due after one year

	2021	2020
	£000	£000
Group and School:		
Bank loans	2,789	3,034
Finance Lease	96	-
Fees received in advance	58	16
	<u>2,943</u>	<u>3,050</u>

Bank loans are instalment debts and fees received in advance are non-instalment debts.

There are five (2020: five) bank loans secured on School properties.

The capital for the loans is repayable in monthly instalments which vary from £1k to £13k. The interest rates on these loans vary from 0.9% to 1.5% above base rate. The current bridging loan at year end was £325k (2020: £325k) and the interest rate on the loan is 1.75% above base rate.

There is an interest offset arrangement in place with the bank for three of the loans whereby a sweep of the loans and cash balances is made daily. A net interest adjustment is then made reflecting the balance of interest received on cash held and the interest to be paid on the outstanding loan balances.

The bank loans are repayable as follows:

	2021	2020
	£000	£000
Within:		
1 year	222	202
1 – 2 years	280	299
2 – 5 years	839	896
After 5 years	1,675	1,841
	<u>3,016</u>	<u>3,238</u>

Wells Cathedral School Limited (limited by guarantee)
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18 Endowment Funds

Group	Chandler fund £000	Alan Quilter fund £000	Dulverton fund £000	Carnegie fund £000	Vandervell fund £000	Ashley Jones fund £000	Bursary fund £000	Group Total £000
At 1 August 2020	80	6	40	25	249	14	442	856
Interest	-	-	-	-	-	-	22	22
Gain on investments	-	-	-	-	-	-	218	218
Transfer between funds	-	-	-	-	-	-	(26)	(26)
At 31 August 2021	80	6	40	25	249	14	656	1,070

The Chandler fund represents an endowment, the income from which is to be used for music bursaries.

The Alan Quilter fund provides scholarships and bursaries.

The Dulverton fund is to fund bursaries for ex boy choristers at the Cathedral.

The Carnegie fund is to fund a folk singing scholarship.

The Vandervell fund is to fund scholarships and bursaries.

The Ashley Jones fund represents an endowment, the income from which is to be used to fund bursaries.

The Bursary fund represents donations which are to be used to fund bursaries.

Comparative statement of Endowment Funds for the year ended 31 July 2020

Group	Chandler fund £000	Alan Quilter fund £000	Dulverton fund £000	Carnegie fund £000	Vandervell fund £000	Ashley Jones fund £000	Bursary fund £000	Group Total £000
At 1 August 2019	80	6	40	25	249	14	472	886
Additions	-	-	-	-	-	-	4	4
Interest	-	-	-	-	-	-	-	-
Loss on investments	-	-	-	-	-	-	(34)	(34)
At 31 July 2020	80	6	40	25	249	14	442	856

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Period Ended 31 August 2021

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2021 £000	Foundation 2021 £000	Group 2021 £000
Donations and other receipts	-	58	31	17	106	144	152
Bank and other interest received	-	-	-	-	-	22	22
Expenditure	-	-	(80)	(6)	(86)	(98)	(184)
Consolidation adjustment	-	(58)	-	(40)	(98)	98	-
(Deficit)/surplus for year	-	-	(49)	(29)	(78)	166	88
Transfers between funds	-	-	30	(10)	20	(70)	(50)
At 1 August 20	74	27	3,128	340	3,569	396	3,965
At 31 August 21	74	27	3,109	301	3,511	492	4,003

19 Restricted Funds

The project fund comprises funds from the DfE in respect of specific education based projects with state sector schools. The current projects are the South West Music Initiative and Outreach project.

The Bursary fund represents restricted bursaries received and awarded during the period.

The Capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, and contributions by the trust towards capital projects undertaken by the School. This Trust closed in July 2005. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

The other fund comprises funds from the Foundation and other specific educational based projects such as Sierra Leone.

The transfers from the Restricted Fund of £(50)k (2020: £10k) comprise the following:

	2021 £000	2020 £000
Transfer to revenue fund, funds held in the Foundation related to the Cedars Field Development.	(10)	-
Transfer from the Designated Asset Fund to Capital Fund re: musical instruments funded by Friends of Music and MUGA funded by the Foundation.	30	10
Transfer to Revenue Fund in respect of funds related to legacies in the Foundation.	(70)	-
Total	(50)	10

Comparative Statement of Restricted Funds for year ended 31 July 2020:

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2020 £000	Foundation 2020 £000	Group 2020 £000
Donations and other receipts	-	-	10	-	10	193	226
Bank and other interest received	-	-	-	-	-	23	-
Expenditure	-	-	(77)	-	(77)	(76)	(153)
Consolidation adjustment	(14)	-	-	-	(14)	14	-
(Deficit)/surplus for year	(14)	-	(67)	-	(81)	154	73
Transfers between funds	-	-	10	-	10	-	10
At 1 August	88	27	3,185	340	3,640	242	3,882
At 31 July	74	27	3,128	340	3,569	396	3,965

20 Designated Asset Funds

	Group		School	
	2021 £000	2020 £000	2021 £000	2020 £000
At beginning of year	19,169	18,721	19,169	18,721
School operating costs (depreciation)	(494)	(468)	(494)	(468)
Transfers between funds	675	916	675	916
At end of period	19,350	19,169	19,350	19,169

The Designated Asset Fund represents the additions of tangible fixed assets not funded by the capital fund, less the outstanding loans secured on specific properties and the net book value of property sales.

The transfer to the designated asset fund of £675k (2020: £916k) comprises the following;

	2021 £000	2020 £000
Reduction in the loans secured against the assets in the fund	222	679
Unrestricted additions to fixed assets	489	237
Less net book value of disposal	(6)	10
Less fixed assets funded by the Friends of Music/Foundation	(30)	(10)
Total	675	916

Wells Cathedral School Limited (limited by guarantee)
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Comparative Statement of Designated Asset Funds for year ended 31 July 2020

	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
At beginning of year	18,721	18,803	18,721	18,792
School operating costs (depreciation)	(468)	(436)	(468)	(436)
Transfers between funds	916	354	916	354
At end of year	<u>19,169</u>	<u>18,721</u>	<u>19,169</u>	<u>18,710</u>

21 Financial Instruments

The School has the following financial instruments:

- Financial assets that are debt instruments measured at amortised cost

	Group		School	
	2021	2020	2021	2020
	£000	£000	£000	£000
Debtors	892	501	899	501
Bank and cash	2,090	966	1,679	674
Other receivables	240	339	275	339
	<u>3,222</u>	<u>1,806</u>	<u>2,853</u>	<u>1,514</u>

Bad debts written off in the year were £53k (2020: £32)

- Financial liabilities that are measured at fair value

	Group		School	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loans and overdraft	3,016	3,237	3,016	3,327
Trade creditors	28	3	28	3
Pupils' deposits	2,187	2,184	2,187	2,184
Accruals	234	192	228	189
Other creditors	507	150	507	150
	<u>5,972</u>	<u>5,766</u>	<u>5,966</u>	<u>5,763</u>

Wells Cathedral School Limited (limited by guarantee)
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- Financial assets that are measured at fair value

	Group	
	2021	2020
	£000	£000
Investments	1,247	879

22 Commitments

Group and School

Operating leases

Total commitments under non-cancellable operating leases were as follows:

Group and School	2021		2020	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Operating leases commitments:				
In less than one year	30	154	58	136
In the second to fifth years inclusive	52	89	82	156
	82	243	140	292

The leases of land and buildings are subject to rent reviews which occur over 1 to 7 years. The rent for the properties in Vicars Close is £57,652 p.a. (2020: £57,652). The leases on 17 and 18 Vicars Close expire in 2021 and the leases on 16 and 26 Vicars Close expire in September 2024.

Finance leases

Total commitments under non-cancellable finance leases were as follows:

Group and School	2021	2020
	Land and buildings	Land and buildings
	£000	£000
Finance leases which are payable:		
In less than one year	103	103
In the second to fifth years inclusive	514	-
	617	103

Commitments under finance leases relate to the rental of properties from Wells Cathedral. The lease agreement dates back to 1983 and there is insufficient data to be able to accurately disclose the finance lease creditor amount. This is not considered to be material to the financial statements

23 Pension Scheme

The School operates two pension schemes.

(a) Teachers

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,168k (2020: £1,060) and at the period end £113 (2020: £122) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Wells Cathedral School Limited (limited by guarantee)
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(b) Non-teaching staff

Most of the non-teaching staff are members of a defined contribution scheme.

The pension cost charge for the period represents contributions payable by the School to the funds (Employer's Contribution) and amounted to £182k (2020: £168k) analysed as follow:

	2021	2020
	£000	£000
Non-teaching staff	182	168
Teachers	1,168	1,060
	<u>1,350</u>	<u>1,228</u>

Contributions outstanding at 31 August were as follows:

	2021	2020
	£000	£000
Non-teaching staff	22	24
Teaching staff	113	122
	<u>135</u>	<u>146</u>

24 Reconciliation of net movement in funds to net cash inflow from operating activities

	2021	2020
	£000	£000
Net movement in funds	(49)	797
Depreciation	574	545
Profit/Loss on sale of fixed assets	1	(10)
(Increase)/Decrease in stocks	7	(4)
(Increase)/Decrease in debtors	(111)	(36)
(Gains)/Loss on investments	(333)	35
Cash held for re-investment	62	-
Increase/(Decrease) in creditors	1,785	(61)
Interest from investments	(25)	(23)
Interest payable	46	64
	<u>1,957</u>	<u>1,307</u>

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25 Analysis of Changes in Cash Balances

	At 1 August 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash in hand and at bank	966	1,124	2,090
Cash held in investment manager	27	35	62
Debt due within one year	(202)	(52)	(254)
Debt due after one year	(3,036)	274	(2,762)
Total	(2,245)	1,381	(864)

26 Reconciliation of Net Debt

	2021 £000	2020 £000
Increase in cash in the year	1,159	881
Cash inflow from repayment of loans and hire purchase agreements	222	673
Change in net funds resulting from cash flow	1,381	1,554
Net debt at start of year	(2,245)	(3,799)
Net debt at end of year	(864)	(2,245)

27 Allocation of Net Assets

The net assets are held for the various funds as follows:

Group

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Endowment funds	1,247	(177)	-	1,070
Restricted funds	5,724	(1,721)	-	4,003
Revenue fund	-	(5,033)	(154)	(5,187)
Designated asset funds	17,252	4,887	(2,789)	19,350
	24,223	(2,044)	(2,943)	19,236

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School	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Restricted funds	5,795	(2,284)	-	3,511
Revenue fund	-	(5,087)	(154)	(5,241)
Designated asset funds	17,181	4,958	(2,789)	19,350
	<u>22,976</u>	<u>(2,408)</u>	<u>(2,943)</u>	<u>17,620</u>

Comparative Statement of Allocation of Net Assets for year ended 31 July 2020:

Group

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Endowment funds	879	(23)	-	856
Restricted funds	5,774	(1,809)	-	3,965
Revenue fund	-	(4,689)	(16)	(4,705)
Designated asset funds	17,287	4,916	(3,034)	19,169
	<u>23,940</u>	<u>(1,605)</u>	<u>(3,050)</u>	<u>19,285</u>

School

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Restricted funds	5,774	(2,205)	-	3,569
Revenue fund	-	(4,691)	(16)	(4,707)
Designated asset funds	17,287	4,916	(3,034)	19,169
	<u>23,061</u>	<u>(1,980)</u>	<u>(3,050)</u>	<u>18,031</u>

28 Changes in Resources available for charity use

	Endowment funds £000	Restricted funds £000	Designated Asset funds £000	Unrestricted funds £000	Total £000
Net movement in funds for year	214	38	181	(482)	(49)
Net increase in tangible fixed assets for direct charitable purposes	-	-	-	85	85
Net increase in funds available for future activities	<u>214</u>	<u>38</u>	<u>181</u>	<u>(397)</u>	<u>36</u>

29 Related Parties

(a) Connected Persons

The Chapter of Wells Cathedral ("the Chapter") is a connected person within the terms of the Charities SORP. At the School's Governors meeting in December the members will include an agenda item to ratify the appointment of new Governors. The articles provide for three chapter members to be Governors.

During the year:

- Rent was paid to the Chapter of £169k (2020: £169k) under a repairing lease expiring in 2063 in respect of certain School buildings. At the year-end there was a prepayment of £14k (2020: £26k).
- The Chapter contributed £58k (2020: £61k) towards the fees of the Cathedral choristers.
- The School paid £17k (2020: £27k) to the Chapter in respect of use of Cathedral facilities.

Burges Salmon LLP, of which a Trustee of the Foundation is a partner, did not receive payments (2020: £2k) from the School; Veale Wasbrough Vizards, of which a Trustee of the Foundation is an employee, received £4,298 from the School and Patterson Bristol, of which a governor is a shareholder, received £48,495 from the School.

The School paid £23k (2020: £54k) to a company owned by a Trustee of the Foundation for the lease of a property.

(b) Transactions with Governors and Trustees

During the year none (2020: 2) of the Governors received reimbursement for expenses (2020: £643). During the year 3 Governors and 3 Trustees (2020: 3 Governors and 2 Trustees) were parents of pupils at the School and paid fees on the same terms as any other parent and received the benefits of clergy and sibling discounts where appropriate.

(c) Transactions with Wells Cathedral School Foundation

The Foundation, which is a charitable company registered in England and Wales (company number: 2804495) is not a directly owned subsidiary of the School. However the results of the Foundation have been consolidated into the School's Financial Statements as the Foundation is indirectly controlled and influenced by the School.

The School has funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2020/21, the Foundation's operating costs of £44k (2020: £58k) were recharged to the School.

During the year the School received £98k (2020: £76k) from the Foundation representing donations for Bursaries and specific projects.

(d) Subsidiary Companies

The School has two wholly owned subsidiary companies which were deregistered during the period. Their details are:

- Wells Cathedral School (Hong Kong) Limited (limited by guarantee) incorporated on 23 October 2014 and deregistered on 11th February 2021, in Hong Kong. Company Number: 2159541; and
- Wells Cathedral School International School (Hong Kong) Limited (limited by guarantee) incorporated on 23 October 2014 and deregistered on 5th February 2021, in Hong Kong. Company Number: 2155746;

Wells Cathedral School is the parent company of all the subsidiaries and control is determined by the one share being held by the School.

30 The Wells Cathedral School Foundation

The Wells Cathedral School Foundation was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

Registered and principal office:	Wells Cathedral School Limited College Road Wells Cathedral School Somerset BA5 2SX
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A summary of its results for the 13 month Period is shown below:

	Endowment funds £000	Restricted funds £000	Unrestricted funds £000	Total 2021 £000
Income				
Income from charitable activities:	23	146	100	269
Expenditure on raising funds:	-	(98)	(47)	(145)
Unrealised gains/(losses) on investments	218	20	-	238
Transfers	(26)	(70)	96	-
Net movement in funds	215	(2)	149	362
Balance brought forward at 1 August 20	856	396	4	1,256
Balance carried forward at 31 August 21	1,071	394	153	1,618

The net assets and liabilities were:

	2021 £000
Fixed assets:	
Investments	1,247
Total current assets	417
Creditors: amount falling due within one year	(46)
Net current assets	371
Net assets	1,618
Total charity funds	1,618

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31 Comparative Consolidated Statement of Financial Activities for year ended 31 July 2020

	Endowment funds £000	Restricted funds £000	Unrestricted funds £000	Total 2020 £000
Income				
Income from charitable activities:	4	216	59	279
Expenditure on raising funds:	-	(76)	(60)	(136)
	<hr/>	<hr/>	<hr/>	<hr/>
Unrealised gains/(losses) on investments	(34)	-	-	(34)
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	(30)	140	(1)	109
Balance brought forward at 1 August	886	256	4	1,147
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 July	856	396	3	1,256
	<hr/>	<hr/>	<hr/>	<hr/>

The net assets and liabilities were:

	2020 £000
Fixed assets:	
Investments	879
Total current assets	379
Creditors: amount falling due within one year	(3)
Net current assets	376
Net assets	1,256
	<hr/>
Total charity funds	1,256
	<hr/>