

**The Wells Cathedral School Foundation  
(Limited by Guarantee)**

**Report of the Trustees and Financial Statements**

Registered Company number 2804495

Registered Charity number 1118159

Period ended 31 August 2021

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## Contents

Trustees' Report	2
Independent Auditor's Report to the Members of Wells Cathedral School Foundation	9
Statement of Financial Activities	12
Balance Sheet	13
Notes	14

Trustees' report (*continued*)

## TRUSTEES' REPORT

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

The Foundation is registered with the Charity Commission and was incorporated on 28 February 2007 as a registered Company, Limited by Guarantee, not having share capital. It is governed by its Memorandum and Articles of Association. The Foundation is a Company registered in England and Wales.

### **Governance**

#### ***The governing body***

The following served as Trustees in the period under review and up to the date of signing the Financial Statements. The Trustees of the Foundation are Directors of the Foundation for Companies Act 2006 purposes:

Mr David Brown MA, OBE  
Mr Max Constantini  
Mrs Ann Gummer BSc (Hons)  
Mr Christopher Jackson MA (Hons), OBE, SBS, Chairman  
Dr Jenny Kingston BDS, LDS RCS (Eng), FDS RCS (Ed), MSc Orth, M. Orth (*resigned 20<sup>th</sup> September 21*)  
Mr Philip Lemanski MA (Oxon), FCA  
Mr Tim Lewis MA (Cantab), FCA  
Mr Chris Seaton BSc (Hons)  
Mr Alan Durant BSc (Econ)  
Mr Alastair Tighe MA (Cantab)

The Foundation's Executive Board comprises the Chairman of the Foundation, an elected School Governor, the Head Master of the School and an elected Foundation Trustee. These four "member" Trustees are joined by the other Trustees in the running of the Foundation and in all appropriate Board meeting decisions but only the member Trustees have the power to vote at the Annual General Meeting ("AGM"). The member Trustees are Christopher Jackson (chairman), Alastair Tighe, Tim Lewis and David Brown. A maximum of 25 Trustees may be appointed to the Board.

Trustees' 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 & Harris  
 14 Market Place,  
 Wells,  
 BA5 2RE

**Independent Auditor** Crowe U.K. LLP  
 4<sup>th</sup> 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  
 Limited  
 College Road  
 Wells  
 Somerset  
 BA5 2SX

**Connected charity registered number 310212**

Trustees' report (*continued*)

**Charitable Objectives**

The Foundation was created to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

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

The objectives of the Foundation are to advance the education of pupils at the School and to promote any other charitable purpose or charitable organisation that the Trustees shall determine, and in particular to assist in:

- 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 (including the social and physical training) 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.

**Charitable Benefit**

The Foundation's charitable benefit is to raise income for the School and the parents of its pupils in the form of bursaries and grants, and for the purchase of equipment and facilities for the use of its pupils.

**Organisational Structure**

The Foundation's fundraising and related activities are carried out by staff of the School's development office, managed by the Head of Wells Cathedral School Foundation ("the Head of the Foundation") Rebecca Roberts and supported by the School's development committee. An allocation of the development office's operating costs, including School staff costs and other direct costs associated with the Foundation, which are borne by the School, has been made to the Foundation based on time actually spent by the office's staff on the Foundation's affairs. These costs of £44,634 (2020: £58,446) are reflected in the Statement of Financial Activities in operating expenses and income from the School of £44,634 (2020: £58,446) recognised as "Gift in kind - School" in *Income from Charitable Activities*.

The Foundation's committees and their Chairmen are as follows:

Bursaries	Mr Max Constantini
Investment	Mr Tim Lewis
Wells Music Society of Hong Kong	Mr Bryan Carter

The chairman and members of the Board meet with the Head of the Foundation as necessary between Board meetings.

The Head of the Foundation is responsible for maintaining the operational processes required to run the Foundation, and for providing professional advice in fundraising, communications and alumni relations. The Head of the Foundation is assisted by a part time administrative assistant and various other events and marketing personnel as required. Staff pay is set by the School. Benchmarking with comparable salaries is achieved through visiting websites such as Pay Scale and ISBA.

Trustees' report (*continued*)

***Recruiting and Training of Trustees***

The Trustees are appointed at a meeting of the Board on the basis of nominations agreed between the chairman, the Head Master of the School and Head of the Foundation, having regard to the Board's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. New Trustees are inducted into the working of the Foundation, including its aims and objectives, by the Chairman and the Head of the Foundation. A document outlining the responsibilities and expectations of the Trustees is provided to all prospective Trustees.

***Charity Governance Code***

All Trustees of the Foundation:

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

The Trustees 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 Foundation's AGMs.

***Fundraising Disclosures***

As required under S162A of the Charities Act 2011, the Foundation has continued to undertake fundraising activities during the period using its database, as in previous periods. These fundraising activities have been undertaken by staff employed by the School 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. Over the course of the financial period 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 Foundation complies with the School's Safeguarding Policy to report concerns of abuse, all members of staff receive regular training, and safeguarding is an agenda item at all Trustee meetings. This allows Trustees and staff members to raise and be aware of any concerns.

***Indemnity Insurance***

As permitted by the Articles of Association of the School, the Trustees 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 period Governors' and officers' liability insurance in respect of itself, its Governors and the Trustees of the Foundation.

The cost of insurance, which is included in the cost of public liability cover in the Consolidated Financial Statements of the School, amounted to £ 7,846 (2020: £7,560) in the period for the School and Foundation.

***Statement of Going Concern***

In their consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Trustees have concluded that no material uncertainties have been identified that may cast significant doubt on the ability of the Foundation to continue as a going concern.

Trustees' report (*continued*)

The Trustees and Head Master have considered that there may be an ongoing change in fundraising ability over the coming year due to the impact of COVID-19 but this will be monitored through professional vigilance and ongoing discussions between the Head Master, Head of Foundation and Trustees.

The Trustees therefore have a reasonable expectation that the Foundation 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.

## **STRATEGIC REPORT**

### ***Review of Developments, Activities and Achievements***

There are currently nine Foundation Trustees in place to help deliver the Foundation's aims, meeting up to four times a year and combining the Annual General Meeting with the November meeting.

There is also a cohort of Foundation Fellows many of whom play an active role in helping to deliver the strategic aims of the Foundation and School.

During the period the Foundation's Annual Fund: Sport worked to develop the sports facilities within the School and the bursaries appeal continued to work to support the School's ability to provide financial assistance to certain pupils, in particular in light of COVID-19. In this financial period donations for bursaries of £22,823 (2020: £58,443) and no firm pledges (2020: nil) were received.

The Foundation's fundraising body in Hong Kong is the Wells Music Society of Hong Kong, and the School has two music scholars who have been supported financially by the Society, the Lee Hysan Foundation and the School during the period

### ***Immediate & Future plans***

The emphasis this period has been on increasing alumni engagement and the launch of an Annual Fund: Sport which focused on developing the Sport provision within the School. This fund will be closed in December and a new Annual Fund to enhance well-being and mental health within the School will be started. There will also be a focus on refreshing and relaunching the Legacy campaign.

## **FINANCIAL REVIEW**

The Board of Governors decided this year to bring the year end in line with the academic and holiday year end which is the 31<sup>st</sup> August 2021. The new year-end going forward will enable estate projects to be started and completed within the same financial year. So, these Foundation financial statements are for the same period of 13 months.

During the period the Foundation received £199,844 (2020: £197,100) in financial contributions in the form of donations and legacies, which is an increase of 1% (2020: a decrease of 62%) in incoming resources.

The Foundation's net movement in funds during the period was a surplus of £361,944 (2020: surplus of £108,588).

### ***Investment Policy, Powers and Performance***

In accordance with the Trust Deed, the Trustees may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate a long-term total return from endowment funds invested, combining both capital growth and income. 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. 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.

Trustees' report (*continued*)

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 period by the investment committee.

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.

### ***Political and Charitable Contributions***

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

### ***Reserves Policy***

The Foundation had unrestricted general funds of £152,798 (2020: £3,374) at the period end. The policy of the Trustees is to use immediately available unrestricted general funds for bursaries or other financial assistance for pupils. At the period end it had restricted funds of £394,489 (2020: £396,298) and endowment funds of £1,070,288 (2020: £855,959), giving a total of £1,617,575 (2020: £1,255,631).

### ***Risk Management***

The Board of Trustees has considered the principle areas of the Foundation's operations and assessed the major risks faced in each of these areas. They have identified the following risks and controls:

- Failure to attract appropriate Trustees with expertise to provide strong, wise leadership – this is regularly reviewed by the Head Master and Trustees;
- Change in management of the Foundation – continually reviewed by the Head Master and Foundation Chairman;
- Reputational damage caused by inappropriate activity, or failure to secure necessary funds – constant professional vigilance and early consideration of possible issues by the Trustees;
- Loss or misuse of funds provided to the Foundation – two staff monitoring the banking process together with full documentation of allocation of all receipts; and
- Change in fundraising ability due to the impact of COVID-19 - professional vigilance and ongoing discussions with the Head Master, Head of Foundation and Trustees.

### ***Statement of Trustees' Responsibilities***

The Trustees are responsible for preparing the Trustees' report and the Financial Statements in accordance with applicable law, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and the Charities SORP.

Company law requires the Trustees to prepare Financial Statements for each financial period. Under Company law the Trustees 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 Foundation and of the incoming resources and

Trustees' report (*continued*)

application of resources, including the income and expenditure, of the Foundation for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and the apply them consistently;
- observe the methods and principles 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 Foundation will continue in operation.

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

***Statement on Disclosure of Information to the Auditor***

So far as each Trustee is aware, there is no relevant audit information of which the Foundation's auditor is unaware. The Trustees 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 the information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the page of the School's website dealing with the Foundation. 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 have indicated their willingness to accept reappointment as the Foundation's Auditors and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

In preparing this report, Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.



Mr Christopher Jackson  
Chairman of Trustees

November 21

## **Independent Auditor's Report to the Members of Wells Cathedral School Foundation**

### **Opinion**

We have audited the financial statements of Wells Cathedral School Foundation 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 charitable company's affairs as at 31 August 2021 and of its 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 charitable Company 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 charitable Company'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 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 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 charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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, 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](http://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 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

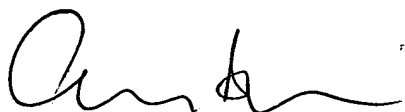
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Council and other management and inspection of regulatory and legal correspondence, if any.

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 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  
4<sup>th</sup> Floor, St James House  
St James Square  
Cheltenham  
GL50 3PR

Date

16 February 2022

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

	Note	Endowment funds £	Restricted funds £	Unrestricted funds £	Total 2021 £	Total 2020 £
<b>Income from:</b>						
Donations & legacies	3	-	144,356	55,488	199,844	197,100
Income from investments	9	22,463	2,096	31	24,590	23,739
Gifts in kind – school	11	-	-	44,634	44,634	58,446
<b>Total income</b>		<b>22,463</b>	<b>146,452</b>	<b>100,153</b>	<b>269,068</b>	<b>279,285</b>
<b>Expenditure on:</b>						
Charitable activities - donations to school	9	-	(98,103)	(442)	(98,545)	(75,796)
Raising funds – operating costs	11	-	-	(44,634)	(44,634)	(58,446)
Other expenditure	4	-	-	(1,989)	(1,989)	(1,976)
<b>Total expenditure</b>		<b>-</b>	<b>(98,103)</b>	<b>(47,065)</b>	<b>(145,168)</b>	<b>(136,218)</b>
Net (losses) /gains on investments	8	218,202	19,842	-	238,044	(34,479)
Transfers		(26,336)	(70,000)	96,336	-	-
<b>Net (expenditure)/income and net movement in funds</b>		<b>214,329</b>	<b>(1,809)</b>	<b>149,424</b>	<b>361,944</b>	<b>108,588</b>
<b>Fund balances brought forward at 1 August</b>		<b>855,959</b>	<b>396,298</b>	<b>3,374</b>	<b>1,255,631</b>	<b>1,147,043</b>
<b>Fund balances carried forward at 31 August/31 July</b>	13	<b>1,070,288</b>	<b>394,489</b>	<b>152,798</b>	<b>1,617,575</b>	<b>1,255,631</b>

The notes on pages 14 to 24 form part of these Financial Statements

**Balance sheet as at 31 August 2021/31 July**

**Company number: 2804495**

	Note	2021	2020
		£	£
<b>Fixed assets</b>			
Investments	5	1,247,012	879,222
<b>Current assets</b>			
Debtors	6	5,702	86,515
Cash at bank and in hand		411,393	292,923
<b>Total current assets</b>		<b>417,095</b>	<b>379,438</b>
<b>Creditors: amounts falling due within one period</b>	7	<b>(46,532)</b>	<b>(3,029)</b>
<b>Net current assets</b>		<b>370,562</b>	<b>376,409</b>
<b>Total assets less current liabilities</b>		<b>1,617,575</b>	<b>1,255,631</b>
<b>Net assets</b>		<b>1,617,575</b>	<b>1,255,631</b>
<b>The funds of the charity:</b>			
Endowment funds	8	1,070,288	855,959
Restricted funds	9	394,489	396,298
Unrestricted funds	10	152,798	3,374
<b>Total charity funds</b>		<b>1,617,575</b>	<b>1,255,631</b>

The notes on pages 14 to 24 form part of these Financial Statements.

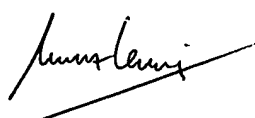
The Financial Statements have been prepared in accordance with the small companies' regime of the Companies Act 2006.

The Financial Statements were approved by the Trustees on 19<sup>th</sup> November 2021 and signed on their behalf by:

**Mr Christopher Jackson**  
Chairman of Trustees



**Mr Tim Lewis**  
Trustee



## Notes

### 1 Company Status

The Foundation is a Charitable Company (registered no. 2804495) limited by guarantee registered in England and Wales, not having any share capital. The member Trustees undertake to contribute to the assets of the Foundation in the event of it being wound up, either whilst members or within one period of their membership ceasing. The maximum contribution required from each member is £1.

The registered and principal office of the Foundation is Wells Cathedral School Limited, College Road, Wells, Somerset, BA5 2SX. The Foundation is also registered as a charity with the Charity Commission in England and Wales (Charity Number: 1118159).

### 2 Accounting Policies

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

#### *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 Foundation has taken advantage of the exemption from the requirement to prepare a cash flow statement in accordance with section 1.12 of FRS 102.

The Foundation is a public benefit entity and the Foundation's functional and presentational currency is the pound sterling.

#### *Going Concern*

The Financial Statements are prepared on a going concern basis. The Trustees have a reasonable expectation that they have adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the Foundation's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

#### *Income*

Income in furtherance of the Foundation's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, and are accounted for on an accruals basis. 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 is subsequently applied for where appropriate;
- Legacies, which are accounted for at the earlier of the receipt of estate accounts or cash received. An assessment is performed post period end of up to two months. Any legacies received are considered, their value reliably measured and then accounted for appropriately;

**Notes (continued)**

**Income (continued)**

- Income from investments, which represents interest and dividends earned during the period from bonds and deposits and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis; and
- Gifts in kind, which are recorded in income to reflect the value of the Foundation's operating costs that are borne by the School, which include the employees of the Foundation.

**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 period end, an accrual is made for this income.

**Expenditure**

All expenditure is included in the statement of financial activities on an accruals basis, inclusive of any value added tax which cannot be recovered. Costs directly attributed to a specific expense heading are allocated to that heading.

Expenditure is recognised when a liability is incurred and in the following categories:

- The costs of charitable activities which consist of charitable donations to the School; and
- Operating costs, which are the allocated operating costs of the School's development office and the direct costs associated with the Foundation which are borne by the School.

**Investments**

In accordance with the trust deed, the Trustees 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, 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.

The Foundation has adopted the Total Returns approach to investments which are considered to be permanent endowments, under which any realised and unrealised gains and losses on sale or revaluation of investments are recorded within the statement of financial activities. Once the value of the permanent endowments reaches a sufficient amount the total returns approach will be available to be used to award bursaries to pupils at the School.

**Cash and Cash Equivalents**

Cash is represented by cash in hand.

**Creditors**

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

**Notes (continued)**

**Fund Accounting**

The Foundation has three types of funds for which it is responsible, which require separate disclosure. These are as follows:

- Unrestricted funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Foundation. In addition to expenditure on the principal activities of the Foundation, such funds may be held in order to finance working capital;
- Restricted funds that have been donated for specific purposes, such as bursaries or projects; and
- Endowment funds, which are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

**Financial Instruments Policy**

All of the Foundation's financial assets and liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**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 Trustees do not believe that any critical judgements have been made in preparing the Financial Statements, except pledges which are included based on a firm judgement by the Foundation.

The accruals and prepayments are calculated based on fact or historical evidence.

**(b) Estimates and assumptions**

The estimates and assumptions made by the Foundation consist primarily of an allocation of the School's development office's operating costs based on the knowledge of key management personnel.

**3 Donations and Legacies**

	2021	2020
	£	£
Trusts	54,447	41,078
Legacies	40,000	80,000
Companies/individuals	105,397	76,022
	<hr/> 199,844	<hr/> 197,100

**Notes (continued)**

**4 Expenditure**

	2021	2020
	£	£
Auditor's remuneration	1,568	1,530
Irrecoverable VAT	314	306
Bank charges	107	140
	<u>1,989</u>	<u>1,976</u>

**5 Investments**

	2021	2020
	£	£
Investments at valuation		
At 1 August	879,222	886,378
Additions	559,351	262,346
Disposal proceeds	(517,288)	(286,605)
Income received	25,152	23,263
Cash held for re-investment	62,026	27,096
Net (losses)/gains	<u>238,044</u>	<u>(34,479)</u>
	1,246,507	877,999
Increase in income account (dividends)	<u>505</u>	<u>1,223</u>
<b>At 31 August</b>	<u><b>1,247,012</b></u>	<u><b>879,222</b></u>

The investments are represented by the following funds:

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

The investments consist of a portfolio of equities, funds, bonds and cash managed by Smith & Williamson Investment Management, the majority of which comprise UK assets. They are categorised as non-current assets as they are held for longer than 12 months. The investment objective is to outperform the MSCI Wealth Management Association Growth Index return which 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.

**6 Debtors**

These comprise accrued income.

**Notes (continued)**

**7 Creditors: amount falling due within one period**

These consist of accruals.

**8 Endowment Funds**

	2021	2020
	£	£
At beginning of period	855,959	886,378
Add donations received	-	4,060
Less transfers to unrestricted funds	(26,336)	-
Income from investments	22,463	-
Unrealised (losses)/gains on investments	218,202	(34,479)
	1,070,288	855,959

The endowment fund represents part of the investment portfolio held by Smith & Williamson Investment Management. The unrestricted income received has been transferred to the unrestricted funds (note 10). The transfers to unrestricted funds consisted of a legacy of £26,118 and a fund of £218, thus reducing the Endowment Funds to £1,070,288.

**9 Restricted Funds**

	Balance at 31 July 20	Incoming	Outgoing	Transfer	Balance at 31 August 21
	£	£	£	£	£
Legacies	80,000	-	-	(70,000)	10,000
Cedars Hall Project	983	9,138	(10,120)		1
Bursaries - General	78,067	22,823	(18,398)		82,492
Wells Music Society of Hong Kong	1,489	38,247	(38,262)	-	1,474
Bursaries - Sierra Leone	1,291	-	-	-	1,291
Bursaries - Music Travel	3,621	279	-	-	3,900
Bursaries - Sport Travel	2,887	40	-	-	2,927
Bursaries - Charitable Aid	567	-	-	-	567
Bursaries - Music	1,901	690	-	-	2,591
Archive	1,200	-	-		1,200
Roland Jacob Award	150	-	(50)	-	100
Junior Instruments	167	-	-	-	167
Trophy Cabinet	1,254	-	(716)	-	538
Sierra Leone	3,259	348	-	-	3,607
String Department	9,557	4,200	(625)	-	13,132
Woodwind Department	2,429	-	(900)	-	1,529
Music Department	7,430	-	-	-	7,430

Wells Cathedral School Foundation (limited by guarantee)  
Report of the Trustees and Financial Statements  
Period ended 31 August 2021

**Notes (continued)**

David Nasmyth	1,000	-	-	-	<b>1,000</b>
St Brandon's Fund	51,841	7,135	(1,800)	-	<b>57,176</b>
Quilter Family Bursary Fund	1,325	663	-	-	<b>1,988</b>
Choralia tour	3,148	250	-	-	<b>3,398</b>
Russell Fox Heath Trust	106,845	14,803	(2,250)	-	<b>119,398</b>
Alan Powell Fund	14,677	-	(1,879)	-	<b>12,798</b>
Charitable Volunteering Fund	21,210	-	-	-	<b>21,210</b>
Bow Fund	-	1,500	-	-	<b>1,500</b>
Drama Fund	-	158	-	-	<b>158</b>
Sport – MUGA	-	65,439	(23,103)	-	<b>42,336</b>
Football Equipment	-	584	-	-	<b>584</b>
	<b>396,298</b>	<b>166,294</b>	<b>(98,103)</b>	<b>(70,000)</b>	<b>394,489</b>

The remaining £10,000 legacy is a prudent estimate of the amount receivable for a legacy to be used at the Head Master's discretion towards a boy chorister. The transfer of legacies of £70,000 represents a legacy which was erroneously classified as restricted instead of unrestricted in the prior year.

The majority of the Russel Fox Heath Trust and the St Brandon's Fund restricted funds are held within the Smith & Williamson investment portfolio. Since they were transferred to the portfolio in December 2020 they have generated income of £21,938. This has been allocated to these funds in proportion to their capital value.

**Comparative Statement of Restricted funds for year ended 31 July 2020**

	<b>Balance at 31 July 19</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>Balance at 31 July 20</b>
Income from Investments:				
Bursaries	-	23,263	-	<b>23,263</b>
Other Restricted income:				
Legacies	-	80,000	-	<b>80,000</b>
Cedars Hall Project	192	13,953	(13,162)	<b>983</b>
Pavilion Fund	-	225	(225)	<b>-</b>
Bursaries - General	12,561	58,443	(16,200)	<b>54,804</b>
Wells Music Society of Hong Kong	1,533	31,207	(31,251)	<b>1,489</b>
Bursaries - Sierra Leone	1,291	-	-	<b>1,291</b>
Bursaries - Music Travel	1,710	3,111	(1,200)	<b>3,621</b>
Bursaries - Sport Travel	1,707	1,580	(400)	<b>2,887</b>
Bursaries - Charitable Aid	567	-	-	<b>567</b>
Bursaries - Music	1,401	500	-	<b>1,901</b>
Archive	1,282	-	(82)	<b>1,200</b>
Roland Jacob Award	200	-	(50)	<b>150</b>

Wells Cathedral School Foundation (limited by guarantee)  
Report of the Trustees and Financial Statements  
Period ended 31 August 2021

**Notes (continued)**

Junior Instruments	1,095	-	(928)	167
Trophy Cabinet	1,254	-	-	1,254
Sierra Leone	2,759	500	-	3,259
String Department	9,557	-	-	9,557
Woodwind Department	225	2,204	-	2,429
Music Department	7,430	-	-	7,430
Niall Mellis Fund	2,000	-	(2,000)	-
David Nasmyth	1,000	-	-	1,000
St Brandon's Fund	53,341	-	(1,500)	51,841
Quilter Family Bursary Fund	663	662	-	1,325
Quilter Family Fund Administration	3,578	-	(3,578)	-
Choralia tour	2,765	383	-	3,148
Russell Fox Heath Trust	109,245	-	(2,400)	106,845
Alan Powell Fund	17,497	-	(2,820)	14,677
Charitable Volunteering Fund	21,210	-	-	21,210
	<u>256,063</u>	<u>216,031</u>	<u>(75,796)</u>	<u>396,298</u>

**10 Unrestricted Funds**

	Balance at 31 July 20	Interest	Incoming	Outgoing	Transfer	Balance at 31 August 21
	£	£	£	£		£
General Funds	2,932	31	55,488	(1,976)	96,336	152,798
Designated Funds	<u>442</u>	<u>-</u>	<u>-</u>	<u>(442)</u>	<u>-</u>	<u>-</u>
	<u>3,374</u>	<u>31</u>	<u>55,488</u>	<u>(2,431)</u>	<u>96,336</u>	<u>152,798</u>

Unrestricted funds comprise gifts or donations made to the Foundation that are not committed to any project being undertaken by the Foundation. The Trustees determine how such funds shall be used.

The transfer is the total of a legacy of £26,118, a fund of £218 and the estimate in the prior year of £70,000 receivable from a legacy that was allocated to Restricted Funds in error.

**Notes (continued)**

**Comparative Statement of Unrestricted funds for year ended 31 July 2020**

	Balance at 31 July 19	Interest	Incoming	Outgoing	Balance at 31 July 20
	£	£	£	£	£
General Funds	4,160	476	272	(1,976)	2,932
Designated Funds	442	-	-	-	442
	<hr/> 4,602	<hr/> 476	<hr/> 272	<hr/> (1,976)	<hr/> 3,374
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**11 Remuneration of the Trustees**

The Foundation had no employees in either this or the preceding financial period and therefore no employee earned more than £60,000 in the current or previous period. The Trustees did not receive any emoluments, benefits or reimbursement of expenses during the period (2020: *£nil*). The staff were paid £33,102 (2020: *£30,561*) which is incorporated in the operating expenses and gifts in kind from the School of £44,634 (2020: *£58,446*). The difference of £11,532 (2020: *£27,885*) comprises expenses borne by the Foundation for office administration, travel and events of the Foundation.

**12 Financial Instruments:**

The Foundation has the following financial instruments:

- Financial assets that are measured at amortised cost

	2021	2020
	£	£
Debtors	5,702	86,515
	<hr/>	<hr/>

- Financial assets that are measured at fair value

	2021	2020
	£	£
Investments	1,247,012	879,222
	<hr/>	<hr/>

**Notes (continued)**

- Financial liabilities measured at amortised cost

	2021	2020
	£	£
Accruals	1,891	2,176
Endowed bond	5,028	853
	<u>6,919</u>	<u>3,029</u>

### 13 Allocation of Net Assets

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

	Fixed assets	Net current assets	Total
	£	£	2021 £
Endowment Funds	1,070,288	-	1,070,288
Restricted Funds	-	394,488	394,488
Unrestricted Funds	-	152,798	152,798
	<u>1,070,288</u>	<u>547,286</u>	<u>1,617,574</u>

#### Comparative Allocation of Net Assets for year 31 July 2020:

	Fixed assets	Net current assets	Total
	£	£	2020 £
Endowment Funds	855,959	-	855,959
Restricted Funds	-	396,298	396,298
Unrestricted Funds	-	2,932	2,932
Designated Funds	-	442	442
	<u>855,959</u>	<u>399,672</u>	<u>1,255,631</u>

**Notes (continued)**

**14 Connected Parties**

Wells Cathedral School ("the School") is a connected charity and parent within the terms of the SORP in that it has common, parallel or related objects and activities and unity of administration.

The School 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 the Foundation's operating costs of £ 44,634 (2020: £58,446) were recharged to the School.

There were transactions with the School of £98,545 during the period (2020: £75,796) representing donations for bursaries and specific projects, and a nil credit (2020: £630) was due to the Foundation at the period end.

During the period, 1 Trustee (2020:1) donated a total of £4,050 to the Foundation (2020: £5,010). The School paid £22,500 (2020: £54,000) to a company owned by a Trustee of the Foundation for the lease of a property.

The results of the Foundation have been consolidated with those of the School. A copy of those Financial Statements for the period ended 31 August 2021 are available from the Company Secretary of the School, Wells Cathedral School Limited, College Road, Wells, Somerset, BA5 2SX. Charity No: 310212. Company No: 2804495.

**15 Taxation**

The Foundation is not liable to taxation on the revenue from its primary activities or on its investment income as it is a registered charity.

**Notes (continued)**

**16 Comparative Statement of Financial Activities for year ended 31 July 2020**

		Endowment funds	Restricted funds	Unrestricted funds	Total 2020
	Note	£	£	£	£
<b>Income from:</b>					
Donations & legacies	3	4,060	192,768	272	197,100
Income from investments	9	-	23,263	476	23,739
Gifts in kind – school	11	-	-	58,446	58,446
<b>Total income</b>		<b>4,060</b>	<b>216,031</b>	<b>59,194</b>	<b>279,285</b>
<b>Expenditure on:</b>					
Charitable activities - donations to school	9	-	(75,796)	-	(75,796)
Raising funds – operating costs	11	-	-	(58,446)	(58,446)
Other expenditure	4	-	-	(1,976)	(1,976)
<b>Total expenditure</b>		<b>-</b>	<b>(75,796)</b>	<b>(60,422)</b>	<b>(136,218)</b>
Net gains on investments	8	(34,479)	-	-	(34,479)
<b>Net expenditure and net movement in funds</b>		<b>(30,419)</b>	<b>140,235</b>	<b>(1,228)</b>	<b>108,588</b>
<b>Fund balance brought forward at 1 August</b>		<b>886,378</b>	<b>256,063</b>	<b>4,602</b>	<b>1,147,043</b>
<b>Fund balance carried forward at 31 July</b>	13	<b>855,959</b>	<b>396,298</b>	<b>3,374</b>	<b>1,255,631</b>