

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

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.

Wells Cathedral School Limited (Limited by Guarantee)
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Period Ended 31 August 2021

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
	Burges 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).

Charity Governance Code

Governors Report (*continued*)

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

of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the

Governors Report (*continued*)

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.

Officers

Governors Report (*continued*)

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

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

Governors Report (*continued*)

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.

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 Plumtree courts and Claver Morris boarding house; to decorate De Salis boarding house externally and likewise

Governors Report (*continued*)

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.

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

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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.

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

Governors Report (*continued*)

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.
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

Governors Report (continued)

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.

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

Governors Report (*continued*)
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*).

The consolidated activities are summarised below:

	2021	2020
	£000	£000
Income from charitable activities	18,772	19,295

Governors Report (continued)

(charitable activities per SOFA plus the School bursaries and discounts)

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%).

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

Governors Report (*continued*)

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.

Designated Asset Fund

The balance of the designated asset fund at the end of the period was £19,350k (2020: £19,169k). This fund

Governors Report (continued)

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	Value	% of gross	% of gross
	2021	2020	£000	£000	fee income	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	Value	% of gross	% of gross
	£000	£000	fee income	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.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. Detailed

Governors Report (*continued*)

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 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

Governors Report (*continued*)

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.

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

Governors Report (*continued*)

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.

[This report has not yet been signed]

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

Date

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