

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

**Governors' Report and Consolidated Financial Statements**  
**Registered Company number 00564883**  
**Registered Charity number 310212**  
**Year ended 31 August 2022**

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## GOVERNORS' REPORT

The Governors of Wells Cathedral School Limited ("the School") present their annual report for the year ended 31 August 2022 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, is 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 year 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 (*resigned 15th August 2022*) ◇  
Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇  
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 Robbets, MA MSc ●  
Mrs Elizabeth Shelton, SRN \$  
Mr Harry Musselwhite, BA FKC \*  
Professor Jeffrey Sharkey BM, MM, MPhil ◇ (*appointed 23<sup>rd</sup> March 2022*)  
Mrs Dorothy Nancekieve, MA, BMus, PGCE, Hon Aram ◇ (*appointed 9<sup>th</sup> September 2022*)

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

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

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

**Governors Report (continued)**  
***Legal and Administrative Details***

<b>Registered and principal office</b>	Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
<b>Bankers</b>	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
<b>Solicitors</b>	Harris and Harris Diocesan Registry 14 Market Place Wells Somerset BA5 2RE
<b>Insurance Brokers</b>	Hettle Andrews & Associates Ltd Eleven Brindleyplace 2 Brunswick Square Birmingham B1 2LP
<b>Independent Auditor</b>	Crowe U.K. LLP 4 <sup>th</sup> Floor St James House St James' Square Cheltenham GL50 2PR
<b>Company Secretary</b>	Mr Peter Knell ( <i>resigned 12th July 22</i> ) Mr Robert McCartney ( <i>appointed 18th July 22</i> ) Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
<b>Connected Charity</b>	Wells Cathedral School Foundation Limited College Road Wells Somerset BA5 2SX

**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-oriented 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 by:

- **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 188 children (2021: 170), about 27% of total pupils, (2021: 25% of total pupils) from 27 (2021: 24) 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 £3,641k (2021:£3,367k), which comprises bursaries of £1,251k (2021:£1,135k), scholarships of £447k (2021:£381k), a subsidy to pupils participating in the Music and Dance Scheme of £1,038k (2021:£946k), and £883k (2021:£847k) of discounts (supporting members of the armed forces, clergy, siblings, Old Wellensians, employees and children of ex-choristers of the School). The School also received £22k (2021: £58k) from the Foundation.

### ***Group Structure and Relationships***

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 the related gift aid, from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the year the Foundation received £157,766 (2021: £269,068) in income and made donations to the School of £81,520 (2021: £98,545) towards bursaries and specific projects. Note the comparison 2021 is a period of 13 months.

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***

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:
  - The Charity Commission's guidance *The Essential Trustee (CC3)*;
  - The School's governing document;
  - Are committed to good governance; and
  - Contribute to the School's continued improvement.

## Governors Report (*continued*)

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 and Trustees of the Foundation comply with the School's 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 £9,139 (*2021: £7,846*) 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. The School has successfully managed its operating costs in order to deliver a surplus, despite the challenging environment of a second financial period affected by the covid pandemic. The School expects to maintain a positive cash position and does not anticipate the need to utilise its agreed overdraft facility in the next 12 months.

The School has breached its Capital covenant for the loans by £3k which the bank is fully aware of and are not concerned.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, 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 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 or by the Deputy Chairman. 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:

**Governors Report (*continued*)**

- 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 resources 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 Emeritus Barbara Bates. 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 Cathedral Director of Music, the assistant organist and 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 Senior Management Team which consists of the Heads of the Prep and Pre-Prep Schools, the Director of Music, the Bursar, who is also the Clerk to the Governors, the 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***

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 ( <i>resigned 31<sup>st</sup> July 22</i> )
Bursar & Clerk to Governors	Mr Robert McCartney FCA, BSc (Hons) ( <i>appointed 18th July 22</i> )
Head of Prep School	Mr Jody Wells BEd Hons
Head of Pre-Prep Development	Miss Rebecca Perdrix BSc (Hons), MA Ed
Director of Music and Managing Director, Cedars Hall	Mr Mark Stringer GMusRNCM (Hons), FTCL, ARCO (CHM), ARCM, HonFTCL, HonLRSL, PGCE ( <i>resigned 31<sup>st</sup> December 21</i> ) Alexander Laing MA (Cantab,) DPS ( <i>appointed 25<sup>th</sup> April 22</i> )
Director of Music	
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

### Governors Report *(continued)*

When setting the remuneration and pay structure of the senior executives, a comprehensive benchmarking exercise is undertaken, using Baines Cutler 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 and Friends' 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 and counselling services are available for staff

## **STRATEGIC REPORT**

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

During 2021/22, the in-year average numbers in the Senior School increased to 554 (20/21: 544) and in the Prep School increased to 155 (2020/21: 130), excluding the Nursery. The average overall School roll therefore increased to 709 (2020/21: 674). This was thirty pupils above the anticipated roll of 679, 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 750 pupils and at the same time create a more even distribution of pupil numbers throughout all year groups

The covid pandemic has had a considerable operational effect on the School in the year. The School returned to onsite learning in September 2021 after an extended year of lockdown, but there were multiple 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, 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, has been able to operate as expected following covid with live audiences etc. but audience numbers have reduced as a result of ongoing effects of the pandemic. Despite reduced audience numbers, the School has been able to provide the opportunities afforded by Cedars Hall, building on its offer of world-class 'classical' and jazz performances and including popular and 'commercial' music to embrace a wider audience, often in a cabaret-style format, as well as an art lecture series entitled CHATS.. The Hall continues 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.

## Governors Report (*continued*)

The development plan for the whole School site continues to form the basis of the School's estate strategy, and 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 well established links with external experts to augment its own internal expertise in areas of teaching, learning, coaching and mental health. This programme continues to be 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 we continue to encourage staff to engage 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, human resources and others.

Pastoral care is provided to all pupils with the aim of giving them the encouragement and support necessary to ensure they are enabled 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. It continues to work towards further improving boarding, through enhancement work. Pupils' wellbeing remains high on the agenda and a Wellbeing Fundraising Campaign was launched for the calendar year 2022. The School's Mental Health Counsellors and Mental Health Practitioner continue to work effectively and a good number of teaching and support staff have been trained up as Mental Health First Aiders.

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, and to decorate De Salis boarding house externally as well as 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 strengthened our mobile phone policy from September 2021 and this year will be launching an E safety committee headed by some of our Upper Sixth Captains. We have also continued to respond to some of the social matters which have arisen recently as a result of Black Lives Matter, Everyone's Invited and Climate Change through a continued series of 'Big Conversation' events in the Senior School and other related initiatives.

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 resumed following the relaxation of covid restrictions. The London RAF reunion dinner was well attended, as was the Summer Reunion held at School in June 2022. Regular bulletins and other communications have been issued as well. The Foundation has continued to work with the Old Wellensian

**Governors Report (*continued*)**

Association on communications, and the Head of Foundation continues as Secretary and Vice-Chairman of the Association.

The '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 - is now established and working effectively.

The Director of Admissions and Director of Music, along with other colleagues, have begun to resume some of their international recruitment trips. But we continue to take advantage of virtual events as well, adopting a more hybrid approach than was the case before covid.

The School's admissions and recruitment efforts have continued in earnest this year with a range of established and new recruitment initiatives. The School has resumed its onsite Open Days, but we have maintained some online recruitment events as well, including our Scholarship Information Morning. Our international agent visits and conferences have also resumed onsite.

The Head Master and Director of Music have continued to work closely with the Wells Music Society of Hong Kong (WMSHK) to implement a clear remit for the society in terms of its profile-raising for the School. Discussions about facilitating existing, and exploring new, strategic relationships on the School's behalf with the Society, and also in relation to pupil recruitment continue, although the continuing covid situation in Hong Kong throughout the year has meant progress has not really been possible in this area.

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.

Cedars Hall 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 in 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 Hall and its wider facilities have also hosted community events including the Wells Festival of Literature, the Wells Comedy Festival, and the CHATS Art Lecture series.

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. The School has also supported the creation of an Outreach Singing Programme for local Primary Schools delivered in conjunction with the Cathedral.

During the year the School delivered a varied 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. And we hosted Music Summer Schools onsite. We continue to produce a huge amount of online performance material featuring pupils' themselves via our School YouTube channel which is available to the wider community.

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 made and wrote Christmas Cards in December 2021, and engaged in a number of different fundraising initiatives for the Ukrainian refugees.

'Be a Mathematician Days' resumed onsite this year, as well as other sporting outreach events and competitions. The Swimming Pool was made available to the local population throughout the year, including to Ukrainian refugee families in summer 2022. Other sporting facilities have also regularly been made available to local sporting groups, including cricket and tennis groups, for little or no charge.

There are 10 members of staff (2021: 3) that act as public examiners for GCSE, A level, ABRSM and Trinity examinations taken by maintained School candidates.  
At least one member of staff is a governor of a local maintained School.

**Governors Report (continued)**

The School was named as a finalist in the 'Co-Educational School of the Year' category of the Independent School of the Year 2022 Awards.

***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 2006 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. Taking the areas required for disclosure in turn:

**a) The likely consequences of any decision in the long term**

The assessment of the long term sustainability of the School's operations is considered in the going concern section of the Governors report. This assessment is based upon review of management information and financial forecasts (including projections of the level of reserves) by the Governing body.

Strategic decisions are subject to discussion and validation by the Governing body prior to implementation. The Governing body also regularly reviews risks that may threaten the achievement of the School vision and strategy to ensure effective mitigation.

**b) The interests of the Company's employees**

The School recognises that the professional skill and commitment of its staff are essential to its success. The Governors ensure regular opportunities for discussion with Governors and management on a formal and informal basis.

Twice weekly briefings and notices help to keep staff informed and provide opportunities for involvement in the diverse activities of the School. Staff well-being and engagement is a key area of focus at this time.

**c) The need to foster the Company's business relationships with suppliers, customers and others**

Parents are kept engaged and up to date through the parent portal, social media posts and the weekly bulletin This Week in Wells. Parent surveys are regularly undertaken. The Governors (several of whom are or were parents of children at the School) actively engage with the parent body and the various voluntary organisations set up by parents to support the activities of the School.

The School makes an important contribution to the local economy with many suppliers based in the local area. The School ensures that it acts with integrity in its business relationships including prompt payment of supplier invoices.

**d) The impact of the company's operations on the community and the environment**

The School is developing metrics to enable monitoring and reporting of the environmental impact of its activities. These measures are outlined in more detail in the Sustainability section of the Governors Report.

The School continues to engage extensively with the wider community through a wide range of activities described in the Strategic Report.

**e) The desirability of the company maintaining a reputation for high standards of business conduct**

The School has established policies and procedures to govern the conduct of its business. These policies are regularly reviewed by management and are subject to review and validation by relevant committees of the Governing body on a regular basis.

The School is committed to complying with all applicable laws and regulations.

**f) The need to act fairly between members of the company**

The School Code of Conduct applies to all members of School staff including Governors.

The School has procedures in place to ensure Governors interests are declared and conflicts of interest avoided.

**Governors Report (continued)**  
**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 in the UK boarders and internationally.
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 2021, which aims to express all these points and make them a focus for the future development of the School.

**Sustainability**

Under the requirements of the companies and limited liability partnerships in complying with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations'), this report will start to outline Wells Cathedral School's plan to address environmental impacts.

A key part of the School's sustainability strategy will be the ability to understand, measure and report on their environmental performance and impact in order to devise a number of KPIs that will assist to reduce and off set carbon emissions now and in the future. This is not only to ensure compliance with certain regulations, but also to ensure that the school benefits from lower energy and resource costs, gains a better understanding on climate change but also it will assist to demonstrate leadership as well as marketable 'green credentials'.

Whilst the School is in the early stages of this process, including measurable reporting, the School is making small steps to carry out work that ensures sustainability and environment are considered. This year these have included:

1. A roll out programme of changing lights to LED, with sensors where appropriate.
2. Regular mixed recycling collections.
3. The addition of a food waste recycling scheme.
4. Insulating loft spaces (Edwards completed this year).
5. Solar panels - recently overhauled to ensure working efficiently.
6. Planting schemes including the planting of 100 trees.
7. Removal of glyphosate weed killer products and leaving borders to grow naturally.
8. Bird and bat boxes.
9. Rolling programme of replacing petrol hand held machines (leaf blowers etc.) with battery operated.
10. The reduction of harmful cleaning products.

Next year, the School will engage with a firm to calculate their current carbon footprint. To do this we will be seeking to set out the scope on which this should be calculated i.e. what should or should not be included. This

**Governors Report (continued)**

will enable the resulting strategy to reduce the School's carbon footprint, to be broken down into component parts so the school can reduce in parts to achieve an aggregated net zero target. This in turn will enable the School to report fully on their environmental impact setting against meaningful KPIs and determining financial benefits.

	2021/22	2020/21
UK energy use kWh	Gas: 3,259,732 Electricity: 1,101,866	Gas: 4,145,191 Electricity: 647,560
Associated Greenhouse gas emissions Tonnes CO2 equivalent	Gas consumption: 586.75 Electricity consumption: 209.35	Gas consumption: 746.13 Electricity consumption: 123.04
Intensity ratio Emissions per pupil Total number of pupils 709 (2020/21: 674)	0.83	1.11

Associated Greenhouse gases have been calculated using the UK government conversion factors for company reporting.

**Operational Performance**

The School set itself the following objectives for the academic year 2021/22. 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 2023, 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 2022/23 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 balanced model for the School.  
*Despite challenges imposed by covid, recruitment has been very strong and as we enter the next 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 those of Prep School age.*

Governors Report (*continued*)

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 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 prioritisation 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 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. The School 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 awarded by public examination for the first time since 2019, with the grading in between the standard of 2021 (when Teacher Assessed Grades (TAGS) were awarded) and 2019. Even with this change in grading to reduce grade inflation the School performed extremely well. At GCSE level, 20% of all grades awarded were Grade 9; 55% of all grades fell within the Grade 9 to 7 range (equivalent to A\* to A under the old system) and 94% were in the range Grade 9 to 4 (A\* to C equivalent). At A level, 29.7% of grades awarded were A\*, with 92.2% falling in the A\* to C range. Over 80% of pupils achieved their first choices of university or conservatoire; this includes one pupil who took up a place at Oxford as well as about 75% 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 and its after effects still prevented UK and overseas tours for much of the academic year. 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;

### Governors Report *(continued)*

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 out-going Director of Music was 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 attended meetings throughout the year with representatives of these schools.

In addition to onsite pre-auditions and auditions, 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 have been developing plans for Wells Music International, an initiative which will offer a combination of on-line 1:1 music coaching, the opportunity to perform in group performance classes, study music theory and history and benefit from mentoring which will be offered globally during our own term-times alongside on-site residential courses for those on this programme during the Easter and Summer breaks.

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

### FINANCIAL REVIEW

The financial performance for the year has been influenced by a challenging operating environment. Nonetheless the School has seen increased enrolment. The average pupil numbers have increased from last year by 35 pupils (*2021: decreased pupils 12*) across the Prep and Senior Schools. The demand for bursary and other fee remissions has risen by £274k (*2021: £50k*). The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level.

#### ***Consolidated Operating Results***

The operating environment for the year was challenging. Senior pupil numbers increased by 1.84% (*2021: decrease by 1.98%*); bursaries and discounts increased by 8.14% (*2021: increased by 1.70%*); and donations received by the Foundation decreased by 62% (*2021: increased by 20.83%*). The scholarships awarded increased to £447k (*2021: £381k*), an increase of 17.32%. The level of gross fee income, the School's charitable income, has increased to £20,087k (*2021: £18,772k*). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision.

The consolidated net result for the year was a surplus of £600k (*2021: deficit of £49k*) which is composed of the net surplus of the School of £700k (*2021: deficit of £411k*) and a net deficit from the Foundation of £100k (*2021: surplus of £362k*). The consolidated results for the year are set out in the Statement of Financial Activities (SOFA) on page 25. 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 year the School produced an operating surplus of £1,324k (*2021: surplus of £310k*) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a surplus of £721k (*2021: deficit of £272k*).

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Governors Report *(continued)*

The consolidated activities are summarised below:

	2022	2021
	£000	£000
Income from charitable activities (charitable activities per SOFA plus the School bursaries and discounts)	20,087	18,772
Operating costs of School		
School bursaries and discounts	(3,641)	(3,836)
Expenditure on charitable activities (excluding depreciation)	(15,122)	(14,626)
<b>Operating surplus of the School</b>	<b>1,324</b>	<b>310</b>
<hr/>		
Less:		
Depreciation	(601)	(574)
Premises - non recurring projects	(2)	(8)
<b>Net operating surplus</b>	<b>721</b>	<b>(272)</b>
<hr/>		
Income from generated funds	470	322
Realised (loss)/gain on investments	(129)	238
Cost of generating funds	(445)	(331)
Cost of charitable activities not part of operating costs	(17)	(6)
<b>Net income in SOFA</b>	<b>600</b>	<b>(49)</b>

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

KPI	2022	2021	2020
Net fee income growth %	2%	1%	(6%)
Bursaries, scholarships and discounts as % of gross fees	19%	22%	25%
Donations and legacies as a % of gross fees	1%	1%	1%
Teaching staff costs as a % of gross fees	35%	39%	36%
Welfare costs as a % of gross fees	5%	5%	5%
Premises costs at a % of gross fees	19%	21%	19%
Operating surplus/(deficit) % of the School	4%	(2)%	8%

The 2022 KPIs are for a year. In 2021, the KPI's were for 13 months.

The gross fee for these KPIs is £18,926k (2021: £17,499k) (note 3).

The net fee received is £15,285k (2021: £13,633k) (note 3).

The Operating surplus of the School is £721k (2021: deficit of £272k)

***Operating result of Wells Cathedral School Foundation***

During the year the Foundation received £87,915 (2021: £199,844) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the year under review totalled £81,520 (2021: £98,545). Its operating costs of £45,582 (2021: £44,634), 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 deficit of £100,286 (2021: surplus of £361,944).

**Governors Report (continued)**

***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 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 adopts 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 year under review (2021: £nil) other than donations to the School of £81,520 (2021: £98,545), 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 yearend were £19,836k (2021: £19,236k). 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 £4,664k (2021: deficit of £5,187k) at the end of the financial year. The Governors take comfort from the fact that the School holds significant designated reserves of £19,491 (2021: £19,350). 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 year was £4,022k (2021: £4,003k). 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 £35k (2021: (£2k)) from the Foundation.

***Designated Asset Fund***

The balance of the designated asset fund at the end of the year was £19,491k (2021: £19,350k). This fund represents the net book value of the majority of tangible fixed assets.

***Endowment Funds***

The endowment funds represent donations received to provide bursaries. Total endowment funds were £987k (2021: 1,070k) at the end of the year. 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.

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**Governors Report (continued)**  
***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	% of
	2022	2021	£000	£000	gross fee income	gross fee income
			2022	2021	2022	2021
School bursaries	260	279	1,251	1,135	6.61%	6.49%
Bursaries from the Foundation	3	5	22	58	0.12%	0.33%
Music and Dance Scheme	80	80	1,038	946	5.48%	5.41%
Scholarships	175	166	447	381	2.36%	2.18%

***Value of fee reductions provided to children of:***

	Value	Value	% of	% of
	£000	£000	gross fee income	gross fee income
	2022	2021	2022	2021
Members of the clergy of the Church of England	14	17	0.07%	0.10%
Members of the armed forces	15	19	0.08%	0.11%
Former pupils of the School	32	28	0.17%	0.16%
Parents with more than one child at the School	150	149	0.79%	0.85%
Employees of the School	597	572	3.15%	3.27%
Children of ex-choristers of the School	75	62	0.40%	0.35%
<b>Total</b>	<b>3,641</b>	<b>3,367</b>	<b>19.23%</b>	<b>19.25%</b>

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total £3,641k includes £22k of restricted Foundation bursaries.

The level of support included 1 free places (2021:2) worth £32k (2021: £64k).

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 consideration of risks is delegated through the Head Master to the Head of Prep 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

**Governors Report (continued)**

established Board sub-committees 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. The School began a consultation with staff in 2022 on continued membership of the TPS.

The School is still awaiting the emergence of a clear picture on the impact of the exit from the EU. Families and educational agents from continental Europe continue to express 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.

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 wherever possible;
- **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 three bank loans secured on property on which it pays interest at 0.9 to 1.95% 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 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.

**Governors Report *(continued)***

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 year. 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 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 5<sup>th</sup> December 2022 and signed on its behalf by:

**Mr David Brown**  
*Acting 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 for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of 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 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year 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 Trustees 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 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 the 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.

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 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:

- the parent company has not kept adequate accounting records; or
- the parent company 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 on page 21, 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.

### 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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 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, General Data Protection Regulation (GDPR), Health and Safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Trustees 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, bursaries, scholarships and allowances, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the bursar 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 and fee concessions above, 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.

A further description of our responsibilities for the audit of the financial statements is available 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.

#### 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

For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
4 th Floor, St James House  
St James Square  
Cheltenham  
Gloucestershire  
GL50 3PR

Date: 12 December 2022

Wells Cathedral School Limited (limited by guarantee)  
Consolidated Statement of Financial Activities  
Year ended 31 August 2022

**Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 August 2022**

	<i>Note</i>	<b>Endowment funds £000</b>	<b>Restricted funds £000</b>	<b>Unrestricted revenue £000</b>	<b>Designated Asset funds £000</b>	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
<b>INCOME FROM:</b>							
<b>Charitable activities:</b>							
Fees receivable	3	-	-	15,285	-	<b>15,285</b>	13,663
Other educational income	4	-	-	815	-	<b>815</b>	1,074
Other ancillary trading income	4	-	-	346	-	<b>346</b>	199
Donations & legacies	5	8	107	21	-	<b>136</b>	207
Other trading activities	5	-	-	309	-	<b>309</b>	90
Income from investments	6	21	3	1	-	<b>25</b>	25
<b>Total Income</b>		<b>29</b>	<b>110</b>	<b>16,777</b>	<b>-</b>	<b>16,916</b>	<b>15,258</b>
<b>EXPENDITURE ON:</b>							
<b>Raising funds</b>	7	-	-	(445)	-	<b>(445)</b>	(331)
<b>Charitable activities</b>	7	-	(145)	(15,083)	(514)	<b>(15,742)</b>	(15,214)
		-	(145)	(15,528)	(514)	<b>(16,187)</b>	(15,545)
(Loss)/gain on investments	13	(112)	(17)	-	-	<b>(129)</b>	238
<b>Net income/(expenditure)</b>		<b>(83)</b>	<b>(52)</b>	<b>1,249</b>	<b>(514)</b>	<b>600</b>	<b>(49)</b>
Transfers between funds	18,19,20	-	71	(726)	655	-	-
<b>Net movement in funds</b>		<b>(83)</b>	<b>19</b>	<b>523</b>	<b>141</b>	<b>600</b>	<b>(49)</b>
Fund balances brought forward at 1 September 21	18,19,20	<b>1,070</b>	<b>4,003</b>	<b>(5,187)</b>	<b>19,350</b>	<b>19,236</b>	19,285
<b>Fund balances carried forward at 31 August 22</b>	18,19,20	<b>987</b>	<b>4,022</b>	<b>(4,664)</b>	<b>19,491</b>	<b>19,836</b>	19,236

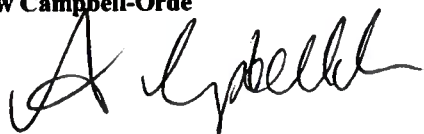
The notes on pages 29 to 54 form part of these Financial Statements.

**Consolidated Balance Sheet as at 31 August 2022**  
*Company Number 00564883*

	<i>Note</i>	<b>2022</b>		2021	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	<i>12</i>		<b>22,813</b>		22,976
Investments	<i>13</i>		<b>1,146</b>		1,247
<b>Current assets</b>					
Stocks	<i>14</i>	<b>6</b>		6	
Debtors	<i>15</i>	<b>1,713</b>		1,374	
Cash at bank and in hand		<b>2,535</b>		2,090	
<b>Total current assets</b>		<b>4,254</b>		<b>3,470</b>	
Creditors: amounts falling due within one year	<i>16</i>	<b>(5,674)</b>		<b>(5,514)</b>	
<b>Net current liabilities</b>			<b>(1,420)</b>		<b>(2,044)</b>
<b>Total assets less current liabilities</b>			<b>22,539</b>		<b>22,179</b>
Creditors: amounts falling due after more than one year	<i>17</i>		<b>(2,703)</b>		<b>(2,943)</b>
<b>Net assets</b>			<b>19,836</b>		<b>19,236</b>
<b>The funds of the group</b>					
Endowment funds	<i>18</i>		<b>987</b>		1,070
Restricted funds	<i>19</i>		<b>4,022</b>		4,003
Unrestricted funds	<i>20/21</i>		<b>14,827</b>		14,163
<b>Total funds</b>			<b>19,836</b>		<b>19,236</b>

These Financial Statements were approved by the Board of Governors on 5<sup>th</sup> December 2022 and were signed on its behalf by:

**Mr Andrew Campbell-Orde**  
*Governor*



**Mr David Brown**  
*Acting Chairman of Governors*



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

Wells Cathedral School Limited (limited by guarantee)  
School Balance Sheet  
Year ended 31 August 2022

**School Balance Sheet as at 31 August 2022**  
*Company Number 00564883*

	<i>Note</i>	<b>2022</b>		2021	
		<b>£000</b>	<b>£000</b>	£000	£000
<b>Fixed assets</b>					
Tangible assets	<i>12</i>		22,813		22,976
<b>Current assets</b>					
Stocks	<i>14</i>	6		6	
Debtors	<i>15</i>	1,706		1,410	
Cash at bank and in hand		2,180		1,679	
<b>Total current assets</b>		<u>3,892</u>		<u>3,095</u>	
<b>Creditors: amounts falling due within one year</b>	<i>16</i>	<u>(5,682)</u>		<u>(5,508)</u>	
<b>Net current liabilities</b>			<b>(1,790)</b>		<b>(2,413)</b>
<b>Total assets less current liabilities</b>			<u>21,023</u>		<u>20,563</u>
<b>Creditors: amounts falling due after more than one year</b>	<i>17</i>		<u>(2,703)</u>		<u>(2,943)</u>
<b>Net assets</b>			<u>18,320</u>		<u>17,620</u>
<b>The funds of the School</b>					
Restricted funds	<i>19</i>		3,566		3,511
Unrestricted funds	<i>20/21</i>		14,754		14,109
<b>Total charity funds</b>			<u>18,320</u>		<u>17,620</u>

The net movement in funds for the School in the year is a surplus of £600k (2021: deficit £411k).

These Financial Statements were approved by the Board of Governors on 5<sup>th</sup> December 2022 and were signed on its behalf by:

**Mr Andrew Campbell-Orde**  
*Governor*



**Mr David Brown**  
*Acting Chairman of Governors*



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

Wells Cathedral School Limited (limited by guarantee)  
Consolidated Statement of Cash Flows  
Year ended 31 August 2022

**Consolidated Statement of Cash Flow**  
**For the year ended 31 August 2022**

	<i>Note</i>	<b>2022</b>		2021	
		<b>£000</b>	<b>£000</b>	£000	£000
<b>Net cash provided by operating activities</b>	<i>24</i>		<b>1,180</b>		1,957
<b>Cash flows from investing activities:</b>					
Income received from investments	<i>6</i>	<b>25</b>		25	
Proceeds from sale of investments	<i>13</i>	<b>307</b>		64	
Purchase of tangible fixed assets	<i>12</i>	<b>(458)</b>		(495)	
Disposal of tangible fixed assets	<i>12</i>	<b>9</b>		6	
Purchase of investments	<i>13</i>	<b>(335)</b>		(130)	
<b>Net cash used in investing activities</b>			<b>(452)</b>		(530)
<b>Cash flows from financing activities:</b>					
Repayment of bank loans	<i>26</i>	<b>(230)</b>		(222)	
Payment of interest	<i>11</i>	<b>(58)</b>		(46)	
<b>Net cash used by financing activities</b>			<b>(288)</b>		(268)
<b>Change in cash and cash equivalents in the reporting year</b>	<i>25,26</i>		<b>440</b>		1,159
<b>Cash and cash equivalents at the beginning of the reporting year</b>	<i>25</i>		<b>2,152</b>		993
<b>Cash and cash equivalents at the end of the reporting year</b>			<b>2,592</b>		2,152
<b>Cash and cash equivalents</b>					
Cash at bank and in hand	<i>25</i>	<b>2,535</b>		2,090	
Cash held by investment manager	<i>13</i>	<b>57</b>		62	
		<b>2,592</b>		2,152	

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

## Notes

### 1 Company Status

The School is a Charitable Company, registered in England and Wales (company number: 00564883) limited by guarantee, and not having any share capital. The members undertake to contribute to the assets of the company in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member would be £1. The School is also a Charity registered in England and Wales (Charity Number: 310212).

### 2 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's Financial Statements. There have been no material changes to accounting policies since the prior 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 School is a public benefit entity and its functional and presentational currency is the pound sterling. The School's registered and principal address is College Road, Wells, Somerset. BA5 2SX.

#### *Going Concern*

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

The Governors have prepared cash flow forecasts for a period of more than 12 months from the date of approval of these financial statements which indicate that, taking account of reasonable possible downsides, the group will have sufficient funds to meet liabilities as they become due.

In preparing the forecasts we have considered further severe but plausible downside scenarios. None of the scenarios indicates that the group would have insufficient funds to meet its liabilities as they fall due or fail to comply with its banking covenants. As a result the Governors consider that it remains appropriate to adopt the going concern basis in the preparation of the financial statements.

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

#### *Basis of Consolidation*

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

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

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

In accordance with the provisions of s408 of the Companies Act 2006 and paragraph 397 of the Charities SORP, the School is exempt from the requirement to present its own income and expenditure account and statement of financial activities.

### ***Income***

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

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

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

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

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

### ***Accrued Income***

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

### ***Grants***

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

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

### ***Scholarships, Bursaries and Discounts***

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

### ***Expenditure***

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

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

### ***Pension Costs***

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

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

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

### ***Tangible Fixed Assets and Depreciation***

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

Freehold buildings	- 1% -10% per annum
Long leasehold land and buildings	- 1% -2% per annum
Fixtures and fittings	- 5% -12.5% per annum
Musical instruments and machinery	- 10% per annum
Information and communications technology equipment (including computer and data communications equipment)	- 10% -25% per annum
Motor vehicles	- 12.5% per annum

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

No depreciation is provided on freehold land.

The capitalisation threshold is £1,000. Items under this level are expensed to the statement of financial activities.

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

### ***Investments***

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

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

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

### ***Stocks***

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

### ***Debtors***

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

### ***Cash and Cash Equivalents***

Cash is represented by cash in hand.

### ***Creditors***

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

### ***Fees Received in Advance***

Fees received in advance of education to be provided in future years and treated as deferred income until either taken to income in the School term when used or are otherwise refunded.

### ***Leases***

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

### ***Repairs Provision***

In accordance with the requirements of the block lease, the School commissions a five yearly survey of the state of the repairs of the leased buildings. The surveyor's suggestions and recommendations for repairs are then categorised into major repair works and ongoing repairs. The School undertakes the major repair work within its ongoing programme of maintenance over a five year. A provision is created equal to the cost of any works which were identified in the surveyor's report but which have not been completed at the end of the subsequent five year.

### ***Endowment Funds (restricted)***

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

### ***Restricted Funds***

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

### ***Capital Fund (restricted)***

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

### ***Revenue Fund***

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

### ***Designated Asset Fund***

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

### ***Transfers between reserves***

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

### ***Financial Instrument Policy***

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

### ***Critical Accounting Judgements and Estimation of Uncertainty***

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

#### **(a) Critical judgements**

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

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

#### **(b) Estimates and assumptions**

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

### ***Taxation***

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

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

Wells Cathedral School Limited (limited by guarantee)  
Consolidated Statement of Financial Activities  
Year ended 31 August 2022

**3 Fees Receivable**

	2022	2021
	£000	£000
<b>Fees receivable consist of:</b>		
Tuition and boarding fees	16,974	15,628
Music tuition fees	1,952	1,871
<b>Total fees</b>	<b>18,926</b>	17,499
Less: DfE Cap - Tuition and boarding fees	(1,038)	(946)
Bursaries, scholarships and other discounts	(2,603)	(2,421)
Covid related discounts	-	(469)
	<b>15,285</b>	13,663

The Department for Education cap is the contribution by the School to cover any shortfall which arises because the fees allowed by the DfE for the Music and Dance Scheme are lower than full fees. The bursaries include the restricted bursaries donated from the Foundation of £22k (2021:48k).

**4. Income from Charitable Activities**

	2022	2021
	£000	£000
<b>Other educational income:</b>		
School activities	599	415
Extra tuition	167	134
Wells Music College income	8	10
Registration and audition fees	37	36
Other income	4	17
Covid related income	-	462
	<b>815</b>	1,074

	2022	2021
	£000	£000
<b>Other ancillary trading income:</b>		
Bus service for pupils	114	46
Concert income	4	2
Other income	228	151
	<b>346</b>	199

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**5 Income from Donations and Legacies**

	Group			
	2022	2021		
	£000	£000		
<i>Unrestricted:</i>				
<b>Donations and legacies:</b>	<b>21</b>	<b>55</b>		
	Group		School	
	2022	2021	2022	2021
	£000	£000	£000	£000
<i>Restricted/Endowed:</i>				
<b>Donations:</b>				
Donations (restricted)	100	144	82	-
Donations to Music (restricted)	7	8	7	8
Donations (endowed)	8	-	-	-
	115	152	89	8
	115	152	89	8

Donations to the School from the Foundation totalled £82k (2021: £98k), including bursaries of £22k (2021: £45k); net restricted donations received by the Foundation totalled £59k (2021: £144k) and donations to endowed funds were £8k (2021: nil).

	2022	2021
	£000	£000
<b>Other trading activities:</b>		
Lettings	53	-
Hire of facilities	171	2
Functions/concert income	60	63
Solar panels	12	26
Rental	32	-
Deficit on fixed asset disposals	(19)	(1)
	309	90
	309	90

**6 Income from Investments**

	Group		School	
	2022	2021	2022	2021
	£000	£000	£000	£000
Interest from short-term deposits	1	-	1	-
Income earned on endowment funds transferred to restricted funds	3	2	-	-
Income earned on endowment funds	21	23	-	-
	25	25	1	-
	25	25	1	-

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**7 Expenditure**

	Staff costs	Other	Depreciation	Total 2022	Total 2021
	£000	£000	£000	£000	£000
<b>Expenditure on raising funds:</b>					
Fundraising trading costs	186	213	-	399	286
Foundation operating costs	30	16	-	46	45
<b>Total expenditure on raising funds</b>	<u>216</u>	<u>229</u>	<u>-</u>	<u>445</u>	<u>331</u>
<b>Expenditure on charitable activities:</b>					
Teaching costs	6,563	382	115	7,060	7,176
Welfare costs	735	221	-	956	891
Premises - general	1,348	1,731	486	3,565	3,639
- non recurring projects	-	2	-	2	8
Support costs	1,954	1,409	-	3,363	2,972
School activities	-	599	-	599	415
Ancillary trading	61	136	-	197	113
<b>Total expenditure on charitable activities</b>	<u>10,661</u>	<u>4,480</u>	<u>601</u>	<u>15,742</u>	<u>15,214</u>
<b>Total expenditure</b>	<u>10,877</u>	<u>4,709</u>	<u>601</u>	<u>16,187</u>	<u>15,545</u>

**8 Support costs**

	Costs of generating funds £000	Other charitable activities £000	Total 2021 £000	Total 2021 £000
<b>Staff costs</b>	216	1,854	2,070	2,141
<b>Other support costs:</b>				
Staff expenses/development	-	135	135	82
Office	229	954	1,183	936
Professional advice	-	190	190	55
Finance costs	-	101	101	63
<i>Services provided by the School's auditor:</i>				
Fees payable for the audit (including Foundation)	-	28	28	24
- Teachers' Pension Certificate	-	1	1	1
	<u>445</u>	<u>3,263</u>	<u>3,708</u>	<u>3,302</u>

Included within the support costs are governance costs of £42k (2021: £44k) which mainly comprise the costs of administering the School, auditor's remuneration and Governors' meeting expenses.

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**9 Staff Numbers and Costs**

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

	Number of employees	
	2022	2021
Teaching staff	160	160
Non-teaching staff	221	226
	381	386

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£000	£000
Wages and salaries	8,761	9,043
Social security costs	804	778
Pension costs (see note 23)	1,312	1,350
	10,877	11,171

The number of employees earning in excess of £60,000 gross salary per year:

	Number of employees	
	2022	2021 Re-stated
£120,001 - £130,000	1	1
£110,001 - £120,000	-	-
£100,001 - £110,000	-	1
£90,001 - £100,000	-	-
£80,001 - £90,000	-	1
£70,001 - £80,000	-	1
£60,001 - £70,000	2	1

Of the above employees, 2 (2021: 4) were members of the teachers' superannuation pension scheme which is a defined benefit scheme. The School's contribution to this was £46k (2021: £79k). The remaining employee (2021: 1) were members of a money purchase pension scheme for which the School's contribution was £9k (2021: £8k).

The Governors did not receive any emoluments or benefits during the year (2021: nil). See note 29 for further information. The total amount earned by the executive officers for the year was £654k (2021: £766k).

Settlement payments of £13k (2021: £33k) were made to 2 (2021: 2) employees in the year.

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**10 Net Income/ (Expenditure) before Transfers**

	2022	2021
	£000	£000
<i>Net income/(expenditure) before transfers is stated after charging:</i>		
Services provided by the School's auditor:		
Audit fees:	25	18
- School		
- Foundation	2	1
Other services:	1	1
- Music and Dance Scheme grant audit		
- Teachers Pension certificate audit	1	1
Rentals payable under operating leases:		
- land and buildings	66	30
- other	97	154
Depreciation:	575	547
- owned assets		
- leased assets	26	27
	575	547

**11 Interest Payable**

	2022	2021
	£000	£000
Interest on bank loans and overdraft comprises:	58	46
	58	46

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**12 Tangible Fixed Assets**

Group and School	Freehold land and buildings	Assets in the course of construction	Leasehold land and building	Information computer technology	Fixtures, fittings, musical instruments and machinery	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<i>Cost</i>							
<b>At 1 September 21</b>	24,404	78	1,571	736	2,910	59	<b>29,758</b>
Additions	233	11	-	36	178	-	<b>458</b>
Transfer	23	(23)	-	-	-	-	<b>-</b>
Disposals	(7)	-	-	(338)	(379)	(21)	<b>(745)</b>
<b>At 31 August 22</b>	<b>24,653</b>	<b>66</b>	<b>1,571</b>	<b>434</b>	<b>2,709</b>	<b>38</b>	<b>29,471</b>
<i>Accumulated Depreciation</i>							
<b>At 1 September 2021</b>	3,150	-	883	516	2,180	53	<b>6,782</b>
Charge for year	339	-	26	68	165	3	<b>601</b>
Disposals in year	(1)	-	-	(338)	(365)	(21)	<b>(725)</b>
<b>At 31 August 2022</b>	<b>3,488</b>	<b>-</b>	<b>909</b>	<b>246</b>	<b>1,980</b>	<b>35</b>	<b>6,658</b>
<i>Net book value</i>							
<b>At 31 August 2022</b>	<b>21,165</b>	<b>66</b>	<b>662</b>	<b>188</b>	<b>729</b>	<b>3</b>	<b>22,813</b>
<b>At 31 August 2021</b>	<b>21,254</b>	<b>78</b>	<b>687</b>	<b>221</b>	<b>730</b>	<b>6</b>	<b>22,976</b>

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

There is £662k (2021: 688k) in leasehold land and buildings which relates to long term lease improvements.

The £66k (2021: £72k) in "assets in the course of construction" is the continued capitalisation of the science quarter development and the "New Entrance".

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**13 Investments**

<b>Non-current investments</b>	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Investment management portfolio comprises:	<b>1,146</b>	1,247
	<b>1,146</b>	1,247

The investments are represented by the following funds:

Endowed funds £987,017 (2021: £1,070,288)  
Restricted funds £158,453 (2021: £176,724)

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 objective of the portfolio is to grow the capital over time, such that, in the future, the portfolio is of sufficient size to meaningfully contribute towards the advancement of education. However, the portfolio suffered a negative return of -8.3% over the 12 months to the end of August, reflecting very challenging market conditions which have in particular impacted portfolios with a growth bias. Over the same timeframe the MSCI WMA Growth Index declined 1.4% (2021: 24.8%). Despite the recent decline, over the longer term, the portfolio return remains ahead of the CPI+4% target return notwithstanding current high rates of inflation.

<b>Group</b>	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
		<b>restated</b>
<b>Investments at valuation</b>		
At 1 September 21	1,247	879
Additions at cost	335	559
Disposal proceeds	(307)	(429)
(Loss)/gain on investments	(129)	238
	<b>1,146</b>	1,247
These balances can be further analysed as:		
Cash held	57	63
Investments	1,089	1,184
	<b>1,146</b>	1,247
<b>At 31 August 22</b>		

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**14 Stocks**

These consist of catering supplies.

**15 Debtors**

	<b>Group</b>		<b>School</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£000</b>	£000	<b>£000</b>	£000
Trade debtors - amounts due from parents	<b>1,012</b>	892	<b>1,012</b>	899
Other debtors	<b>378</b>	240	<b>371</b>	275
Prepayments	<b>323</b>	242	<b>323</b>	236
	<b>1,713</b>	1,374	<b>1,706</b>	1,410

**16 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>School</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£000</b>	£000	<b>£000</b>	£000
Bank loans and overdrafts	<b>161</b>	222	<b>161</b>	222
Fees received in advance	<b>2,521</b>	2,076	<b>2,521</b>	2,076
Pupil deposits	<b>1,623</b>	2,187	<b>1,623</b>	2,187
Trade creditors	<b>5</b>	28	<b>5</b>	28
Taxation and social security	<b>182</b>	169	<b>182</b>	169
Finance lease	<b>29</b>	29	<b>29</b>	29
Other creditors	<b>533</b>	478	<b>533</b>	478
Accruals and deferred income	<b>620</b>	325	<b>628</b>	319
	<b>5,674</b>	5,514	<b>5,682</b>	5,508

In the normal course of business and assuming the going concern basis, the expected repayment of deposits to parents of pupils leaving the School will be £1,623k (2021: £2,187k).

**Fees received in advance:**

**Group and School**

	<b>2022</b>	2021
	<b>£000</b>	£000
At 1 September 21	<b>2,134</b>	169
New contracts	<b>16</b>	68
Fees received in advance of next academic year	<b>2,370</b>	1,923
Amounts utilised in payment of fees to the School	<b>(1,988)</b>	(26)
<b>At 31 August 22</b>	<b>2,532</b>	2,134

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	<b>£000</b>	£000
Fees in advance - aged breakdown of fees:		
Fees falling due within:		
1 year	2,521	2,076
1 - 2 years	11	58
	2,532	2,134

**17 Creditors: amounts falling due after one year**

	<b>2022</b>	<b>2021</b>
<b>Group and School:</b>	<b>£000</b>	<b>£000</b>
Bank loans	2,625	2,789
Finance lease	67	96
Fees received in advance	11	58
	2,703	2,943

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

There are three (2021: five) bank loans secured on School properties.

The capital for the loans is repayable in monthly instalments which vary from £1k to £18k. The interest rates on these loans vary from 0.9% to 1.95% above base rate. There is an interest offset arrangement in place with the bank for two of the loans whereby a sweep of the loans and cash balances is made daily. A net interest adjustment is then made reflecting the balance of interest received on cash held and the interest to be paid on the outstanding loan balances.

The bank loans are repayable as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Within:		
1 year	161	222
1 – 2 years	169	280
2 – 5 years	537	839
After 5 years	1,919	1,675
	2,786	3,016

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**18 Endowment Funds**

Group	Chandler fund £000	Alan Quilter fund £000	Dulverton fund £000	Carnegie fund £000	Vandervell fund £000	Ashley Jones fund £000	Bursary fund £000	Group Total £000
<b>At 1 September 2021</b>	80	6	40	25	249	14	656	1,070
<b>Additions</b>	-	-	-	-	-	-	8	8
<b>Interest</b>	-	-	-	-	-	-	21	21
<b>Loss on investment</b>	-	-	-	-	-	-	(112)	(112)
<b>At 31 August 2022</b>	<b>80</b>	<b>6</b>	<b>40</b>	<b>25</b>	<b>249</b>	<b>14</b>	<b>573</b>	<b>987</b>

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

The Alan Quilter fund provides scholarships and bursaries.

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

The Carnegie fund is to fund a folk singing scholarship.

The Vandervell fund is to fund scholarships and bursaries.

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

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

**Comparative statement of Endowment Funds for the period ended 31 August 2021**

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

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**19 Restricted Funds**

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2022 £000	Consolidate 2022 £000	Foundation 2022 £000	Group 2022 £000
Donations and other receipts	-	22	42	25	89	(41)	59	107
Bank and other interest received	-	-	-	-	-	-	3	3
Expenditure	-	-	(88)	(17)	(105)	41	(98)	(162)
(Deficit) for year	-	22	(46)	8	(16)	-	(36)	(52)
Transfers between funds	-	22	49	-	71	-	-	71
<b>At 1 September 2021</b>	<b>74</b>	<b>27</b>	<b>3,109</b>	<b>301</b>	<b>3,511</b>	-	<b>492</b>	<b>4,003</b>
<b>At 31 August 2022</b>	<b>74</b>	<b>71</b>	<b>3,112</b>	<b>309</b>	<b>3,566</b>	-	<b>456</b>	<b>4,022</b>

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

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

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

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

The transfers from the Restricted fund of £71k (2021: £(50)k) comprise the following:

	2022 £000	2021 £000
Transfer to revenue fund, funds held in the Foundation related to the Cedars Field Development.	-	(10)
Transfer from the Designated Asset Fund to Capital Fund re: musical instruments funded by Friends of Music and MUGA funded by the Foundation.	49	30
Transfer from revenue fund in respect of restricted bursaries from the Foundation.	22	-
Transfer to Revenue Fund in respect of funds related to legacies in the Foundation.	-	(70)
<b>Total</b>	<b>71</b>	<b>(50)</b>

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**Comparative Statement of Restricted Funds for period ended 31 August 2021:**

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2021 £000	Foundation 2021 £000	Group 2021 £000
Donations and other receipts	-	58	31	17	106	144	250
Bank and other interest received	-	-	-	-	-	22	22
Expenditure	-	-	(80)	(6)	(86)	(98)	(184)
Consolidation adjustment	-	(58)	-	(40)	(98)	98	-
(Deficit)/surplus for year	-	-	(49)	(29)	(78)	166	88
Transfers between funds	-	-	30	(10)	20	(70)	(50)
<b>At 1 September 2021</b>	<b>74</b>	<b>27</b>	<b>3,128</b>	<b>340</b>	<b>3,569</b>	<b>396</b>	<b>3,965</b>
<b>At 31 August 2022</b>	<b>74</b>	<b>27</b>	<b>3,109</b>	<b>301</b>	<b>3,511</b>	<b>492</b>	<b>4,003</b>

**20 Designated Asset Funds**

	Group		School	
	2022 £000	2021 £000	2022 £000	2021 £000
At 1 September 2021	19,350	19,169	19,350	19,169
School operating costs (depreciation)	(514)	(494)	(514)	(494)
Transfers between funds	655	675	655	675
<b>At 31 August 2022</b>	<b>19,491</b>	<b>19,350</b>	<b>19,491</b>	<b>19,350</b>

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

The transfer to the designated asset fund of £655k (2021: £675k) comprises the following:

	2022 £000	2021 £000
Reduction in the loans secured against the assets in the fund	229	222
Unrestricted additions to fixed assets	456	489
Plus/(less) net book value of disposal	19	(6)
Less fixed assets funded by the Friends of Music/Foundation transferred to capital fund	(49)	(30)
<b>Total</b>	<b>655</b>	<b>675</b>

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**Comparative Statement of Designated Asset Funds for period ended 31 August 2021**

	Group		School	
	2021 £000	2020 £000	2021 £000	2020 £000
At 1 September 2021	19,169	18,721	19,169	18,721
School operating costs (depreciation)	(494)	(468)	(494)	(468)
Transfers between funds	675	916	675	916
At 31 August 2022	19,350	19,169	19,350	19,169

**21 Unrestricted Funds**

Group	Balance at 1 Sept 2021 £	Interest £	Incoming £	Outgoing £	Transfer £	Balance at 1 Aug 22 £
Revenue fund	(5,187)	1	16,776	(15,528)	(726)	(4,664)

School	Balance at 1 Sept 2021 £	Interest £	Incoming £	Outgoing £	Transfer £	Balance at 1 Aug 22 £
Revenue fund	(5,241)	1	17,036	(15,807)	(726)	(4,737)

The transfer deficit of £726k is the accumulation of the restricted fund £71k and the designated fund £655k

**Comparative Statement of Unrestricted funds for period ended 31 August 2021 (13 months)**

Group	Balance at 31 July 20 £	Interest £	Incoming £	Outgoing £	Transfer £	Balance at 31 Aug 21 £
General Funds	4,705	-	15,081	(14,965)	(598)	(5,187)

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**School**

	Balance at 1 Sept 2021 £	Interest £	Incoming £	Outgoing £	Transfer £	Balance at 1 Aug 22 £
<b>Revenue fund</b>	(4,707)	-	15,029	(14,965)	(598)	(5,241)

**Financial Instrument**

- Financial assets that are measured at fair value

	Group	
	2022 £000	2021 £000
<b>Investments</b>	<b>1,146</b>	1,247

**22 Commitments**

**Group and School**

**Operating leases**

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

Group and School	2022		2021	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
<b>Operating lease commitments:</b>				
In less than one year	66	220	30	154
In the second to fifth years inclusive	150	624	52	89
	<u>216</u>	<u>844</u>	<u>82</u>	<u>243</u>

The leases of land and buildings are subject to rent reviews which occur over 1 to 7 years. The rent for the properties in Vicars Close is £65,880 p.a. (2021: £57,652). The leases on 17 and 18 Vicars Close expire in June 2024 and the leases on 16 and 26 Vicars Close expire in September 2024.

**Finance leases**

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

<b>Group and School</b>	<b>2022</b>	<b>2021</b>
	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>£000</b>	<b>£000</b>
Finance leases commitments:		
In less than one year	<b>103</b>	<b>103</b>
In the second to fifth years inclusive	<b>411</b>	<b>514</b>
	<hr/> <b>514</b> <hr/>	<hr/> <b>617</b> <hr/>

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

**23 Pension Scheme**

The School operates two pension schemes.

*(a) Teachers*

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,143k (2021: £1,168k) and at the year end £168k (2021: £113k) was accrued in respect of contributions to this scheme TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

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

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The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impactor future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

***(b) Non-teaching staff***

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

The pension cost charge for the year represents contributions payable by the School to the funds (Employer's Contribution) and amounted to £168k (2021: £182k) analysed as follow:

	<b>2022</b>	2021
	<b>£000</b>	£000
Non-teaching staff	<b>168</b>	182
Teachers	<b>1,143</b>	1,168
	<b>1,311</b>	1,350

Contributions outstanding at 31 August were as follows:

	<b>2022</b>	2021
	<b>£000</b>	£000
Non-teaching staff	-	22
Teaching staff	<b>124</b>	113
Net contributions outstanding	<b>124</b>	135

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Net movement in funds	600	(49)
Depreciation	601	574
Loss on sale of fixed assets	19	1
(Increase) in stocks	-	7
(Increase) in debtors	(339)	(111)
Loss/(gain) on investments	129	(333)
Cash held for re-investment	57	62
Increase in creditors	80	1,785
Interest from investments	(25)	(25)
Interest payable	58	46
Net cash inflow from operating activities	1,180	1,957

**25 Analysis of Changes in Cash Balances**

	At 1 September 2021	Cash flows	At 31 August 2022
	£000	£000	£000
Cash in hand and at bank	2,090	445	2,535
Cash held by investment manager	62	(5)	57
Debt due within one year	(254)	93	(161)
Debt due after one year	(2,762)	137	(2,625)
Total	(864)	670	(194)

**26 Reconciliation of Net Debt**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Increase in cash in the year	440	1,159
Cash inflow from repayment of loans and hire purchase agreements	230	222
Change in net funds resulting from cash flow	670	1,381
Net debt at start of year	(864)	(2,245)
Net debt at end of year	(194)	(864)

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**27 Allocation of Net Assets for the year ended 31 August 2022:**

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

**Group**

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Endowment funds	1,146	(159)	-	987
Restricted funds	5,773	(1,751)	-	4,022
Revenue fund	-	(4,586)	(78)	(4,664)
Designated asset funds	17,040	5,003	(2,552)	19,491
	<u>23,959</u>	<u>(1,493)</u>	<u>(2,630)</u>	<u>19,836</u>

<b>School</b>	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Restricted funds	5,774	(2,208)	-	3,566
Revenue fund	-	(4,659)	(78)	(4,737)
Designated asset funds	17,040	5,003	(2,552)	19,491
	<u>22,814</u>	<u>(1,864)</u>	<u>(2,630)</u>	<u>18,320</u>

**Comparative Statement of Allocation of Net Assets for period ended 31 August 2021:**

**Group**

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

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**School**

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Restricted funds	5,795	(2,284)	-	3,511
Revenue fund	-	(5,087)	(154)	(5,241)
Designated asset funds	17,181	4,958	(2,789)	19,350
	22,976	(2,413)	(2,943)	17,620

**28 Changes in Resources available for charity use**

	Endowment funds £000	Restricted funds £000	Designated Asset funds £000	Unrestricted funds £000	Total £000
Net movement in funds for year	583	59	141	(83)	700
Net increase in tangible fixed assets for direct charitable purposes	-	-	-	163	163
Net increase in funds available for future activities	583	59	141	80	863

**29 Related Parties**

*(a) Connected Persons*

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

During the year:

- Rent was paid to the Chapter of £169k (2021: £169k) under a repairing lease expiring in 2063 in respect of certain School buildings. At the year-end there was a prepayment of £37k (2021: £14k).
- The Chapter contributed £81k (2021: £58k) towards the fees of the Cathedral choristers.
- The School paid £30k (2021: £17k) to the Chapter in respect of use of Cathedral facilities.

Veale Wasbrough Vizards, of which a Trustee of the Foundation is an employee, received £14k (2021: £4k) from the School and Patterson Bristol, of which a governor is a shareholder, received £7k (2021: £48k) from the School.

The School received bursaries £15k (2021: £31k) from The Sir Keith Showering Trust of which a Senior Management Team member is a trustee.

The School paid nil (2021: £23k) to a company owned by a Trustee of the Foundation for the lease of a property.

*(b) Transactions with Governors and Trustees*

During the year 2 (2021: nil) of the Governors received reimbursement for expenses of £418 (2021: £nil).

During the year 3 Governors and 3 Trustees (2021: 3 Governors and 3 Trustees) were parents of pupils at the

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School and paid fees on the same terms as any other parent and received the benefits of clergy and sibling discounts where appropriate.

**(c) Transactions with Wells Cathedral School Foundation**

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

The School has funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2021/22, the Foundation's operating costs of £46k (2021: £44k) were recharged to the School.

During the year the School received £82k (2021: £98k) from the Foundation representing donations for bursaries and specific projects.

**30 The Wells Cathedral School Foundation**

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

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

	Endowment funds £000	Restricted funds £000	Unrestricted funds £000	Total 2022 £000
<b>Income</b>				
Income from charitable activities:	29	62	67	158
Expenditure on raising funds:	-	(81)	(48)	(129)
Unrealised gains/(losses) on investments	(112)	(17)	-	(129)
<b>Net movement in funds</b>	(83)	(36)	19	(100)
Balance brought forward at 1 September 21	1,070	394	153	1,617
<b>Balance carried forward at 31 August 22</b>	987	358	172	1,517

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**The net assets and liabilities were:**

	<b>2022</b>
	<b>£000</b>
<b>Fixed assets:</b>	
Investments	1,146
<b>Total current assets</b>	<b>371</b>
	-
Creditors: amount falling due within one year	
<b>Net current assets</b>	<b>371</b>
<b>Net assets</b>	<b>1,517</b>
	<hr/>
<b>Total charity funds</b>	<b>1,517</b>
	<hr/>

**31 Comparative Consolidated Statement of Financial Activities for period ended 31 August 2021**

	<b>Endowment funds £000</b>	<b>Restricted funds £000</b>	<b>Unrestricted funds £000</b>	<b>Total 2021 £000</b>
<b>Income</b>				
Income from charitable activities:	23	146	100	269
Expenditure on raising funds:	-	(98)	(48)	(146)
	<hr/>	<hr/>	<hr/>	<hr/>
Unrealised gains/(losses) on investments	218	20	-	238
Transfers	(26)	(70)	96	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	215	(2)	148	361
Balance brought forward at 1 August	856	396	4	1,256
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 August	<b>1,071</b>	<b>394</b>	<b>152</b>	<b>1,617</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**The net assets and liabilities were:**

	<b>2021</b>
	<b>£000</b>
<b>Fixed assets:</b>	
Investments	1,247
<b>Total current assets</b>	<b>417</b>
Creditors: amount falling due within one year	(47)
<b>Net current assets</b>	<b>371</b>
<b>Net assets</b>	<b>1,617</b>
	<hr/>
<b>Total charity funds</b>	<b>1,617</b>
	<hr/>