

# DURHAM CATHEDRAL SCHOOLS FOUNDATION

England & Wales · Charity number 1023407

## Details

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**Other names** DURHAM SCHOOL

**Status** Registered

**Legal form** Charitable company

**Company number** [02776914](#)

**Registered** 1993-07-05

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Durham School  
Durham  
DH1 4SZ

**Phone** 0191 7319270

**Email** [reception@dcsf.org.uk](mailto:reception@dcsf.org.uk)

**Website** [www.dcsf.org.uk](http://www.dcsf.org.uk)

## Activities

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**Objects:** TO ADVANCE THE EDUCATION OF THE PUBLIC

**Activities:** Education - 3-18, co-educational day and boarding

## Classification

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- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

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- Durham

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£14,142,843	£14,071,946	£-1,354,452	198
2024-08-31	£14,132,717	£14,387,305	£-831,661	197
2023-08-31	£12,781,814	£13,181,939	£-1,408,541	183
2022-08-31	£10,402,216	£10,948,904	£-993,992	180
2021-08-31	£9,222,691	£9,865,320	£-408,426	153
2020-08-31	£7,881,298	£8,270,035	£110,342	117

## Trustees

Name	Role	Appointed
CHRISTOPHER ELLIOTT		2023-09-06
Claire Louise Logue		2025-06-19
Dr John Richard Hind		2022-03-18
Dr Monika Nangia		2024-12-05
Dr Richard John Hillier		2021-02-01
Dr Stephen James Bryan		2024-10-01
Elisa Berry		2024-11-29
Jill Florence Hindmarsh		2025-06-19
Keith William Ballantyne		2019-06-27
MICHAELA MARTIN		2023-10-16
Prof Thomas Seymour Mole		2023-12-14
SIMON PATRICK JOSEPH DOBSON		2017-12-05
Timothy John Mallon		2025-06-19

## Linked charities

- DAVIES LEGACY (1023407-1)

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

England & Wales - Charity number 1023407

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# Accounts

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Registered number: 02776914  
Charity number: 1023407

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

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**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**Trustees**

S Dobson, Chair<sup>1</sup>  
K Ballantyne<sup>2</sup>  
E Berry (appointed 29 November 2024)<sup>2</sup>  
S Bryan (appointed 30 September 2024)  
A Cawkwell (appointed 30 November 2024, resigned 24 June 2025)  
C Elliott<sup>1</sup>  
M Hampel (resigned 21 January 2025)  
R Hillier  
J Hind  
J Hindmarsh (appointed 19 June 2025)<sup>2</sup>  
C Logue (appointed 19 June 2025)<sup>1</sup>  
T Mallon (appointed 19 June 2025)  
M Martin  
T Mole<sup>2</sup>  
M Nangia (appointed 5 December 2024)  
P Plyming (resigned 21 January 2025)  
K Richards (resigned 3 September 2024)

<sup>1</sup> Old Dunelmians (former pupils)

<sup>2</sup> Current or former parents

**Company registered  
number**

02776914

**Charity registered  
number**

1023407

**Registered office**

The Bursars Office  
Durham School  
Durham  
DH1 4SZ

**Company secretary**

G A Gardner

**Headmaster**

M Alderson (from 1 September 2025)

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
& Statutory Auditors  
140 Coniscliffe Road  
Darlington  
County Durham  
DL3 7RT

**Bankers**

Barclays Bank PLC  
Delta Hotels by Marriott Durham Royal County  
Old Elvet  
Durham  
DH1 3JN

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND  
ADVISERS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Solicitors**

Ward Hadaway LLP  
Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE1 3DX

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

The Trustees, who are also Directors of Durham Cathedral Schools Foundation present their annual report together with the audited financial statements of the Charitable Company for the 1 September 2024 to 31 August 2025. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**Objectives and aims**

As set out in the governing documents, the Foundation's purpose is the advancement of education of the public.

Durham Cathedral Schools Foundation aims to:

- Provide high quality academic, moral, spiritual and physical education for pupils aged 3–18.
- Promote the values of Moral Integrity, Ambition, Respect and Kindness (MARK).
- Ensure excellence in teaching and learning.
- Expand access through bursaries and scholarships.
- Strengthen community impact in the city, region and beyond.

The principal activity of the charitable company continues to be the provision of training and instruction of pupils, during the year ended 31 August 2025 at Durham School and Chorister School based on Church of England principles in spiritual, moral, mental and physical training.

Durham Cathedral Schools Foundation comprised Chorister School at Bow Site (Nursery to Year 2), Chorister School at the Cathedral Site (Year 3 to Year 6), and Durham School (Year 7 to Year 13) during the year. It is a registered charity, and any and all surpluses are re invested in education. The charitable purpose for which the Foundation exists is Education. In addition to this, the Foundation has a vital role to play in the Community, both local and further afield, being a boarding and day school.

During the year the Foundation was divided between three sites, within a short walking distance from each other. The education of Day pupils aged 3 to 7 took place in the Nursery and Pre-Prep departments at Bow Site, Chorister School. Education of Day pupils, Choristers and Boarders aged 8 to 11 took place in the Prep department at Cathedral Site, Chorister School. The senior section at Durham School offered the choice of Day, Weekly Boarding and Full Boarding to pupils from the age of 11 to 18. Both Schools offered small classes and high-quality teaching and learning. The Foundation promotes an environment where civility, respect and a community spirit are expected of all pupils. The Foundation recognises the following standards which have been developed in conjunction with pupils, parents and staff and are standards which all involved in the Foundation should aspire to:

M Moral integrity  
A Ambition  
R Respect  
K Kindness

The broad strategies of improving academic performance, achieving excellence in teaching and learning, stabilising headcount and continuing to develop the Chorister School as a long term feeder unit for Durham School remain unchanged.

Both Schools strive to ensure that pupils attain their full academic potential, and provide a robust cocurricular programme of activities, organised in such a way as to develop skills which reflect our MARK values. For example, by emphasising moral integrity to develop leadership and service, kindness to develop generosity of spirit, and ambition to set stretching academic and personal goals.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Objectives and activities (continued)**

The charitable company continues to have a close relationship with the Chapter of Durham Cathedral, which is the charitable company's main landlord at both the Durham School and the Cathedral Site. The University of Durham is the landlord of the Bow Site. The charitable company owns the entire share capital of Durham School Trading Limited, which organises commercial activities to benefit Foundation including the letting of Foundation facilities.

**Public Benefit**

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit and have reported below how the Foundation's activities further its charitable purposes for the public benefit. [gov.uk], [legislation.gov.uk]

How our purposes are carried out for public benefit:

**1. Education of our own pupils, including scholarships and bursaries**

In 2024/25, means tested bursaries totalled £606,683; scholarships £378,992; and Burkitt Trust awards £6,000—a combined £991,676 (7.1% of fee income) in fee assistance.

Trustees regularly review bursary and scholarship policies to widen access, including through partnerships with Royal National Children's SpringBoard Foundation, the Buttle Trust, Thornton Smith and the Emmott Foundation.

**2. Savings to the taxpayer**

By educating pupils independently of the state (246 Junior; 499 Senior), DCSF estimates a saving to the taxpayer of £5,341,000, based on published average state sector spending per pupil for primary and secondary education.

**3. Community partnerships and social impact**

Durham School Cathedral Foundation provides extensive community programmes (holiday camps incl. 625 free day places via the County Durham Fun and Food Programme), active partnerships with local primaries and secondaries (including Castle View Enterprise Academy), significant sports access (Pentathlon GB regional hub; swimming for ~500 young people weekly; use of cricket, hockey, netball, rugby facilities), arts access (over 100 local musicians weekly; Durham Fringe Festival founding partner), and Chorister outreach with Durham Cathedral.

**4. Support for other charities and volunteering**

Pupils and staff raised £16,868 for charities and good causes in 2024/25, with every House supporting causes throughout the year (including Young Minds, St Cuthbert's Hospice, Royal British Legion and others). Volunteering includes Duke of Edinburgh's Award service and international partnership with Zambezi Sunrise Trust (including the donation of 10,000 items of new and preloved uniforms donated and packaged at the Foundation).

**5. Contribution of volunteers**

The Board of Governors serves on a voluntary basis, alongside parent and alumni volunteers supporting cocurricular activities eg. rowing, productions, and careers engagement. While it is not practicable to monetise volunteer hours, Trustees acknowledge their substantial impact across Foundation life.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Achievements and performance**

**Main achievements of the Charitable Group**

**Pupil Numbers**

Durham School: 499 Chorister School: 246 Total: 745 pupils. Pupil numbers remained stable at the senior school despite the imposition of VAT on fees during the academic year. Numbers at Chorister School were 5% down on the previous year. Part of this is due to demographic decline in these age groups, and part of this is put down to worsening economic conditions leading to families delaying entry into independent education.

**Academic performance**

A level: Pass rate 96.5% (2024: 100%); A–B 55.6%\* (2024: 62.4%)  
GCSE: Grades 7–9: 44.3% (2024: 52%); 6–9: 64.4% (2024: 69.1%); 4–9: 92.1% (2024: 92.1%); Grade 9: 14.6% (2024: 20.5%). No pandemic mitigation applied in 2025 making comparison difficult with previous years.

**Cocurricular and enrichment**

Over 100 clubs and societies are operate operated across both schools including a pupil newspaper The Durham Eye, which secured two awards and one commendation at the 2025 Shine School Media Awards. The Foundation continues to operate a very successful Outdoor Society,

**Sport**

A standout year across girls' and boys' programmes (notably rugby, netball, hockey and cricket), with pupils progressing to representative and professional levels; rugby will mark its 175th anniversary in October. Three Year 13 leavers progressing to elite pathways.

**Music**

134 ABRSM entries with 27% Distinction, 38% Merit, 34% Pass; Stand out performances included Handel's Messiah in Durham Cathedral in front of a paying audience of 750 - raising £20,000+ for post chorister bursaries. This concert included four professional soloists, three of whom were ODs, including Alexander Armstrong. The choir and orchestra featured current and former pupils, parents and staff members from over 50 years of foundation music making.

**Drama**

A rich programme from Chorister School productions to the Senior School's Pygmalion (March 2025) and Shrek Jr for Years 7–8 in The Luce.

**International schools partnerships**

Ongoing Quality Assurance through policy and governance support to partner schools:

- **Durham School for Girls Doha** (naming rights, roll 1,300).
- **Durham International School, Kenya** (Nairobi; two sites; 494 enrolment).
- **Durham School Dubai** (opened 2022; roll 610 in 2024/25).

International activity diversifies revenue and supports bursary growth in Durham.

Trustees review educational, financial and operational performance regularly to ensure that the Foundation continues to deliver its charitable objectives effectively and sustainably.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Achievements and performance (continued)**

**Key performance indicators**

Trustees monitor a range of key performance indicators aligned with the Foundation's strategic priorities: pupil recruitment and retention, academic outcomes, widening access through bursaries, community engagement and long-term financial sustainability.

During the year the Foundation maintained broadly stable pupil numbers across the schools despite the introduction of VAT on school fees. Academic outcomes remained strong relative to national benchmarks, and the Foundation continued to provide significant financial assistance to pupils. International partnerships continued to develop, with substantial growth in enrolment at the Foundation's partner schools in Dubai and Nairobi.

The principal indicators used by Trustees are summarised below:

Key performance indicators over past three years

KPI	22/23	23/24	24/25	Commentary
<b>Total pupil numbers</b>	738	757	745	Overall numbers remain stable despite the introduction of VAT on school fees.
<b>Durham School roll</b>	476	498	499	Senior School recruitment remains strong.
<b>Chorister School roll</b>	262	259	246	Slight decline reflecting demographic and economic pressures locally.
<b>A Level pass rate</b>	97.4%	100%	96.5%	Consistently strong academic outcomes.
<b>A Level grades A–B</b>	53.8%	62.4%	55.6%	Remains above historic averages.
<b>GCSE grades 7–9</b>	35.5%	52%	44.3%	Improvement since 2022/23 despite national grade normalisation.
<b>GCSE grades 4–9</b>	90.8%	92.5%	92.1%	Consistently high pass rates.
<b>Funds raised for other charities</b>	£7k	£15.8k	£16.9k	Continued engagement in charitable activity across the Foundation.
<b>Estimated Savings to the Public Purse</b>	£5.5m	£5.7m	£5.6m	Based on a saving of £7,500 per pupil
<b>ABRSM music exam entries</b>	110	165	134	Strong participation in the music programme.
<b>International school enrolment – Dubai</b>	164	445	610	Rapid growth in our partner school.
<b>International school enrolment – Nairobi</b>	~250	~250	494	Significant expansion during the year.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Achievements and performance (continued)**

**Fundraising**

As a fundraising charity subject to the Charities (Protection and Social Investment) Act 2016 fundraising reporting requirements, the Trustees provide the following statements for the year:

**(a) Our fundraising approach**

Durham Cathedral Schools Foundation undertakes fundraising primarily through the in-house Development Office (major gifts, bursary appeals, legacies, events and community fundraising).

**(b) Regulation and standards**

We are registered with the Fundraising Regulator and follow the Code of Fundraising Practice; no failures to comply were identified in the year. The Development Director, our lead fundraiser, is a member of the Chartered Institute of Fundraising.

**(c) Monitoring of fundraising carried out on our behalf**

Where third parties act for or with us, we monitor compliance via: due diligence checks, written terms, briefings, spot checks, review of materials, and escalation procedures for complaints and safeguarding concerns.

**(d) Fundraising complaints**

We received 0 fundraising related complaints in 2024/25.

**(e) Protecting people in vulnerable circumstances**

Our staff are trained on recognising vulnerability; we prohibit unreasonable intrusion, persistent approaches, and undue pressure to give; we respect contact preferences; and we act promptly on concerns. These safeguards align with the Code and Charity Commission guidance CC20.

**(f) Paid fundraising staff**

There are three paid members of staff in the Development, Alumni and Events office who are paid to fundraise as part of their roles. Where third parties assist (e.g., event platforms), they act under written agreements and our oversight.

**Financial review**

**Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Reserves policy**

Our policy is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in the infrastructure of the school. Our reserves policy is to achieve free reserves of 3–6 months of operating expenditure. As at 31 August 2025, the Group held fund balances of (£933,765) comprising (£3,156,384) unrestricted funds, £1,885,018 restricted funds and £337,601 endowment funds.

The unrestricted deficit reflects historic pension obligations and depreciation. We continue to focus on reducing that deficit principally through a combination of international income growth, fundraising for bursaries and capital expenditure, pupil recruitment, and cost control.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Financial performance**

The Trustees are pleased to report that the actions that were taken, and which were outlined in their Report for the year ended 31 August 2024, have resulted in a good outcome. Whilst the Trustees acknowledge that the audit report contains a qualification, we note that it is limited in its scope and it does not reflect on the quality of the financial reporting that has taken place in respect of the year ended 31 August 2025.

This is a testament to the hard work of our Finance Team lead by our Operations Manager. Our new accounting system is now fully operational and has already contributed to a better understanding of our financial performance. Our new team members have demonstrated a great deal of tenacity and resilience to overcome the challenges that they inherited.

The consolidated results for the year show a surplus of £70,897 (2024: £403,879). The 2024 result reflected a revaluation surplus of £769,314. Whereas the Trustees acknowledge that further improvement in financial performance is required, the recent trend of improvement is greatly welcomed, and is impressive against a backdrop of the liabilities arising from the management and improvement of the school estate.

Durham Cathedral Schools Foundation's cash position was managed within the facilities agreed with our bankers which we note are due to be renegotiated later in 2026.

A company continues to purchase insurance for the Trustees during the year to indemnify them against liabilities arising from acts as part of their duties as Trustees of the company.

Note 22 sets out an analysis of the assets attributable to the various funds. The Trustees consider these assets to be sufficient to meet the company's obligations on a fund by fund basis.

**Principal sources of funds**

Predominantly pupil fees; with philanthropic gifts, trading income (via the services company), investment income and overseas school income forming the remainder.

**Principal risks and uncertainties**

**Strategic:** pupil recruitment/retention; fee affordability (including VAT impact); estate maintenance and capital planning.

**Operational:** safeguarding & welfare; health & safety; IT and data security.

**Financial:** liquidity and cash flow management; pension liabilities.

Controls include enhanced marketing and feeder links, expanding bursaries, robust safeguarding and H&S frameworks, cyber investments, loan facilities with forecasting, and actuarial oversight. The risk register is reviewed termly by Senior Leadership and Trustees.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Structure, governance and management**

**Constitution and governance**

Durham Cathedral Schools Foundation is a charitable company limited by guarantee (incorporated 4 Jan 1993), governed by its Articles. Trustees (who are also company directors) set strategy and ensure compliance with charity and company law. The Board meets once per term and delegates day to day management to the Principal and Senior Management Team. Board subcommittees include Finance & General Purposes, Education, Estates, , Development, Chorister, Search, Burkitt, International, Prep and Audit.

The Senior Leadership Team as at 31 August 2025 is as follows:

Principal & Headmaster - Durham School	K McLaughlin MA (Cantab) (resigned Apr 2025)
Acting Principal - Durham School	A Pearson BSc (Dunelm) (from Apr 2025)
Headmistress - Chorister School	S Harrod BA
Deputy Head (Academic)	A Pearson BSc (Dunelm)
Deputy Head (Pastoral)	H Thompson MA (Oxon), MSc, MA
Assistant Head (Boarding and Co-Curricular)	K Rochester BA
Assistant Head (Compliance)	P Gerrard BEd
Operations Manager	H Bergenstjerna MSc
Development Director	A Beales MSci (Dunelm), MBA, MCIOF(Dip)
Director of International Operations	K Hannah MA
Director of Marketing & Admissions	D Freeman Griffiths BA
Company Secretary & Clerk to the Governors	E Mussell BA (resigned Feb 2025)
Company Secretary & Clerk to the Governors	G A Gardner MA (from Feb 2025)

The day to day running of the Schools is delegated to the Principal and the Senior Leadership Team.

**Appointment, induction and training of Trustees**

Trustees are appointed by the Board following search and due diligence; they retire by rotation and may be reappointed. Induction covers safeguarding, finance, charity law and education; ongoing training is provided.

**Pay policy for key management personnel**

The Principal's remuneration is determined by the Chair and Finance & General Purposes; Senior Leadership pay is set by the Principal and reviewed by Finance & General Purposes, benchmarked using sector data.

**Related parties**

All related party transactions are disclosed in note 30 to the accounts in accordance with SORP.

**Safeguarding**

Safeguarding is overseen by the Board (via committee and named safeguarding lead Trustee) and led operationally by the Designated Safeguarding Lead and team. Trustees receive regular reports, policies are reviewed at least annually, safer recruitment is in place, and external reviews are commissioned periodically.

**Trustees' indemnities**

The group maintains Trustees' and Officers' liability insurance for Trustees and officers. Qualifying third party indemnity provisions (within the meaning of s.234 Companies Act 2006) were in force during the financial year and at the date of approval of this report. These do not extend to fines or penalties or to liabilities where prohibited by law.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Structure, governance and management (continued)**

**Wider networks and affiliations**

Durham Cathedral Schools Foundation is a member of AGBIS, ISI, HMC, IAPS, IDPE, Choir Schools Association, The British Boarding Schools Network, and ISC.

**Plans for future periods**

Priorities include:

- Growth in bursary provision and philanthropy to widen access.
- International expansion and QA via Durham School Trading Limited, maintaining standards at Doha, Nairobi and Dubai and assessing new opportunities.
- Investment in teaching, digital learning and the estate to support excellence.
- Strengthening feeder school links and community engagement.
- Building adequate reserves (3–6 months OPEX).
- Asset management and property valuation monitoring (freehold revalued Feb 2024).

The Trustees remain confident that these priorities will support the long-term sustainability of the Foundation and enable it to extend the educational opportunities it provides for present and future pupils.

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**Auditors**

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on .....<sup>94-26</sup>..... and signed on their behalf by:



**S Dobson**  
(Chair of Trustees)

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**Qualified Opinion**

We were engaged to audit the financial statements of Durham Cathedral Schools Foundation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2025 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charitable Company balance sheet, the Consolidated statement of cash flows and the related notes, 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, except for the effects of the matters described in the basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2025 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 qualified opinion**

In the Consolidated Statement of Financial Activities (SOFA) for the year ended 31 August 2024, an exceptional item of £358,178 was included within total income, arising from trade debtor and bank balance reconciliation differences. A prior year adjustment has subsequently reduced this amount to £203,048; however, we have been unable to obtain sufficient appropriate audit evidence to determine whether further adjustment may be necessary to the comparative figures for the year ended 31 August 2024 and the corresponding opening balances as at 1 September 2024.

As a result, we are unable to determine whether any consequential adjustments may be required to income and related balances reported in the Consolidated SOFA for the year ended 31 August 2025.

We have obtained sufficient appropriate audit evidence in respect of the closing balance sheet position as at 31 August 2025 and have not identified material misstatements in the current year closing balances. Accordingly, we consider the possible effects of the matter described above to be material but not pervasive to the consolidated financial statements for the year ended 31 August 2025.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**Material uncertainty related to going concern**

We draw your attention to note 1.2 of the financial statements.

The group has net current liabilities as at 31 August 2025. It is dependent on the continuing support of the bank, who's facilities are due for renewal in January 2027. As stated in note 1.2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's or the Parent Charitable Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 course of 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 Auditors' 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.

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 undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, charity legislation, company legislation, health and safety, food and hygiene regulations, safeguarding, taxation legislation, Independent Schools Regulator, Ofsted and GDPR
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Clive Owen LLP*

**Martin Hobson BA (Hons), FCCA (Senior statutory auditor)**

for and on behalf of

**Clive Owen LLP**

Chartered Accountants

& Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

*09/04/2026*

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2025**

		Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
	Note					
<b>Income and endowments from:</b>						
Donations and legacies	3	107,768	58,301	-	166,069	303,711
Charitable activities	4	13,544,117	-	-	13,544,117	12,872,341
Other trading activities	5	156,985	-	-	156,985	213,486
Investments	6	275,672	-	-	275,672	385,001
Exceptional items	7	-	-	-	-	203,048
<b>Total income and endowments</b>		<b>14,084,542</b>	<b>58,301</b>	<b>-</b>	<b>14,142,843</b>	<b>13,977,587</b>
<b>Expenditure on:</b>						
Raising funds	8	475,421	-	-	475,421	571,117
Charitable activities	9	13,590,525	6,000	-	13,596,525	13,834,059
<b>Total expenditure</b>		<b>14,065,946</b>	<b>6,000</b>	<b>-</b>	<b>14,071,946</b>	<b>14,405,176</b>
<b>Net income/ (expenditure) before net gains on investments</b>		<b>18,596</b>	<b>52,301</b>	<b>-</b>	<b>70,897</b>	<b>(427,589)</b>
Net gains on investments		-	-	-	-	62,154
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>18,596</b>	<b>52,301</b>	<b>-</b>	<b>70,897</b>	<b>(365,435)</b>
<b>Other recognised gains/(losses):</b>						
Gains on revaluation of fixed assets		-	-	-	-	769,314
<b>Net movement in funds</b>		<b>18,596</b>	<b>52,301</b>	<b>-</b>	<b>70,897</b>	<b>403,879</b>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2025**

Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
<b>Reconciliation of funds:</b>					
Total funds brought forward as previously stated	(3,001,979)	1,832,717	337,601	(831,661)	(1,408,541)
Prior year adjustment	(173,001)	-	-	(173,001)	-
<b>Total funds brought forward as restated</b>	<b>(3,174,980)</b>	<b>1,832,717</b>	<b>337,601</b>	<b>(1,004,662)</b>	<b>(1,408,541)</b>
Net movement in funds	18,596	52,301	-	70,897	403,879
<b>Total funds carried forward</b>	<b>(3,156,384)</b>	<b>1,885,018</b>	<b>337,601</b>	<b>(933,765)</b>	<b>(1,004,662)</b>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 45 form part of these financial statements.

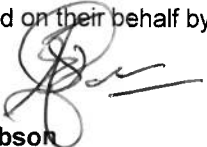
**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02776914**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2025**

	Note	2025 £	As restated 2024 £
<b>Fixed assets</b>			
Tangible assets	14	5,762,226	5,781,442
Investments	15	258,896	258,896
		6,021,122	6,040,338
<b>Current assets</b>			
Stocks	17	2,138	7,968
Debtors	18	1,069,089	1,524,997
Cash at bank and in hand		3,219,844	1,682,079
		4,291,071	3,215,044
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	19	(7,271,976)	(6,224,524)
		(2,980,905)	(3,009,480)
<b>Net current liabilities</b>			
		3,040,217	3,030,858
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	20	(3,973,982)	(4,035,520)
		(933,765)	(1,004,662)
<b>Net liabilities excluding pension asset</b>			
		(933,765)	(1,004,662)
<b>Total net assets</b>			
		(933,765)	(1,004,662)
<b>Charity funds</b>			
Endowment funds	22	337,601	337,601
Restricted funds	22	1,885,018	1,832,717
Unrestricted funds	22	(3,156,384)	(3,174,980)
		(933,765)	(1,004,662)
<b>Total funds</b>			
		(933,765)	(1,004,662)

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on ..... and signed on their behalf by:

  
**S Dobson**  
 (Chair of Trustees)

9.4.26

The notes on pages 21 to 45 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02776914**

**CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2025**


	Note	2025 £	As restated 2024 £
<b>Fixed assets</b>			
Tangible assets	14	5,762,226	5,781,442
Investments	15	258,721	258,721
		6,020,947	6,040,163
<b>Current assets</b>			
Debtors	18	1,017,586	1,338,545
Cash at bank and in hand		2,945,215	1,508,207
		3,962,801	2,846,752
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	19	(7,364,218)	(6,109,569)
<b>Net current liabilities</b>		(3,401,417)	(3,262,817)
<b>Total assets less current liabilities</b>		2,619,530	2,777,346
Creditors: amounts falling due after more than one year	20	(3,973,982)	(4,035,520)
<b>Net liabilities excluding pension asset</b>		(1,354,452)	(1,258,174)
<b>Total net assets</b>		(1,354,452)	(1,258,174)
<b>Charity funds</b>			
Endowment funds	22	337,601	337,601
Restricted funds	22	1,885,018	1,832,717
Unrestricted funds	22	(3,577,071)	(3,428,492)
<b>Total funds</b>		(1,354,452)	(1,258,174)

The Charitable Company's net movement in funds for the year was £(96,278) (2024 - £286,926).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on ..... and signed on their behalf by:

**S Dobson**  
(Chair of Trustees)



9.4.26

The notes on pages 21 to 45 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

	2025 £	2024 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	1,894,628	952,829
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	14,400	13,200
Proceeds from the sale of investments	13,000	828,082
Purchase of tangible fixed assets	(301,423)	(85,536)
	<hr/>	<hr/>
<b>Net cash (used in)/provided by investing activities</b>	<b>(274,023)</b>	<b>755,746</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(66,187)	(87,801)
Repayments of finance leases	(16,653)	(21,402)
Receipt of endowment	-	5,560
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(82,840)</b>	<b>(103,643)</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>1,537,765</b>	<b>1,604,932</b>
Cash and cash equivalents at the beginning of the year	1,682,079	77,147
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,219,844</b>	<b>1,682,079</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 21 to 45 form part of these financial statements

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**1. Accounting policies**

**1.1 Basis of preparation and consolidation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

There were no material departures from the standard.

Durham Cathedral Schools Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charitable Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements are reported in £ sterling.

**1.2 Going concern**

The Group's charitable activities, together with factors likely to affect its future development and performance, are set in the Trustees' Report.

The terms of financing facilities provided by Barclays plc to the Group expire in January 2027. Based on discussions between the parties it is not anticipated that these facilities will be withdrawn or indeed that the terms of any new facilities will be less favourable than the existing ones.

The trustees have assessed the cash requirements of the Group for the period of at least one year from the date of issue of the financial statements.

The trustees acknowledge that that the group has net current liabilities at 31 August 2025. Given this, and the reliance placed on the bank funding facilities, a material uncertainty exists that may cast doubt on the Group's of the Parent Charitable Company's ability to continue as a going concern.

Despite this, the trustees believe that it is still appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**1. Accounting policies (continued)**

**1.3 Income**

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Group which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**1. Accounting policies (continued)**

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Freehold property is under the revaluation model. Under the revaluation model, freehold property shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, the Group may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Consolidated statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- straight line over 50 years
Long-term leasehold property	- straight line over 10 - 50 years
Short-term leasehold property	- straight line over 20 years
Motor vehicles	- straight line over 10 years
Fixtures and fittings	- straight line over 10 - 15 years
Computer equipment	- straight line over 5 years

No depreciation is provided on freehold land.

**1.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The Consolidated statement of financial activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within unrestricted funds.

**1.7 Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**1. Accounting policies (continued)**

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

**1.11 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.12 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group.

The interest element of these obligations is charged to the Balance Sheet over the relevant period. The capital element of the future payments is treated as a liability.

**1.13 Operating leases**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**1. Accounting policies (continued)**

**1.14 Pensions**

The Company makes contributions to the Teachers Pension Scheme for academic staff and to a selective pension plan for non-academic staff. Contributions payable to the pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

**1.15 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Endowment funds represent the permanent funds of the School. All income generated by these funds are unrestricted and used for the purpose of the school.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2025**

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Bad debt provision:

The parent charitable company has included provisions for bad and doubtful debts. Debts considered to be irrecoverable are provided for in full. The total bad debt provision at 31 August 2025 is £321,392 (2024: £213,744).

Freehold property impairment:

The freehold property was last revalued in February 2024 on an open market basis. The judgement as to whether or not an impairment is required includes the consideration of factors such as current market conditions and future economic benefits expected to be derived from the freehold property. Based on the assessment performed, the Trustees concluded that no impairment charge was required for the period. The carrying value of the property is £1,749,300 (2024: £1,767,150) and this is considered fair value as at 31 August 2025.

**3. Income from donations and legacies**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
<b>Donations</b>				
Donations	107,768	-	107,768	225,828
Unclaimed deposits released	-	58,301	58,301	77,883
	<u>107,768</u>	<u>58,301</u>	<u>166,069</u>	<u>303,711</u>
<b>Total 2024 as restated</b>	<u>225,828</u>	<u>77,883</u>	<u>303,711</u>	

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**4. Income from charitable activities**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
School fees income	14,036,718	-	14,036,718	13,521,542
Bursaries, grants and allowances	(1,789,250)	-	(1,789,250)	(1,990,785)
Other ancillary fees	1,296,649	-	1,296,649	1,341,584
	<u>13,544,117</u>	<u>-</u>	<u>13,544,117</u>	<u>12,872,341</u>
Total 2024	<u>12,847,341</u>	<u>25,000</u>	<u>12,872,341</u>	

The school fees income represents the total school fee prior to any bursaries, grants or allowances that the pupil may receive. These are included as a negative value as per the above.

**5. Income from other trading activities**

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Trading subsidiary income	156,985	156,985	213,486
Total 2024	<u>213,486</u>	<u>213,486</u>	

**6. Investment income**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Investment income	275,672	-	-	275,672	385,001
Total 2024	<u>366,241</u>	<u>13,200</u>	<u>5,560</u>	<u>385,001</u>	

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**7. Exceptional items**

	Unrestricted funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
Exceptional items - unknown differences	-	-	203,048
	<u>          </u>	<u>          </u>	<u>          </u>
Total 2024 as restated	<u>203,048</u>	<u>203,048</u>	

The exceptional item in the prior year was in relation to unknown differences in bank and trade debtors as referenced to in the prior year audit report.

**8. Costs of raising funds**

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Finance costs	407,926	407,926	397,359
Trading subsidiary expenditure	67,495	67,495	173,758
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>475,421</u>	<u>475,421</u>	<u>571,117</u>
Total 2024	<u>571,117</u>	<u>571,117</u>	

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	As restated Total 2024 £
Educational charitable activities	13,454,230	6,000	-	13,460,230	13,743,560
Governance costs	136,295	-	-	136,295	90,499
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>13,590,525</u>	<u>6,000</u>	<u>-</u>	<u>13,596,525</u>	<u>13,834,059</u>
Total 2024 as restated	<u>13,486,012</u>	<u>338,013</u>	<u>10,034</u>	<u>13,834,059</u>	

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**9. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

**Summary by expenditure type**

	Staff costs 2025 £	Depreciation 2025 £	Other costs 2025 £	Total 2025 £	As restated Total 2024 £
Educational charitable activities	8,614,613	307,639	4,537,978	13,460,230	13,743,560
Governance	-	-	136,295	136,295	90,499
	<u>8,614,613</u>	<u>307,639</u>	<u>4,674,273</u>	<u>13,596,525</u>	<u>13,834,059</u>
Total 2024 as restated	<u>8,110,488</u>	<u>311,393</u>	<u>5,412,178</u>	<u>13,834,059</u>	

**10. Analysis of expenditure by activities**

	Direct costs 2025 £	Support costs 2025 £	Total funds 2025 £	As restated Total funds 2024 £
Educational charitable activities	6,198,074	7,262,156	13,460,230	13,743,560
Governance	-	136,295	136,295	90,499
	<u>6,198,074</u>	<u>7,398,451</u>	<u>13,596,525</u>	<u>13,834,059</u>
Total 2024 as restated	<u>6,243,262</u>	<u>7,590,797</u>	<u>13,834,059</u>	

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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	Educational charitable activities 2025 £	Total funds 2025 £	As restated Total funds 2024 £
Staff costs	5,679,820	5,679,820	5,435,527
Educational costs	414,676	414,676	782,424
Welfare	103,578	103,578	25,311
	<u>6,198,074</u>	<u>6,198,074</u>	<u>6,243,262</u>
Total 2024 as restated	<u>6,243,262</u>	<u>6,243,262</u>	

**Analysis of support costs**

	Educational charitable activities 2025 £	Governance 2025 £	Total funds 2025 £	As restated Total funds 2024 £
Staff costs	2,934,793	-	2,934,793	2,674,961
Depreciation	307,639	-	307,639	311,393
Welfare	1,402,754	-	1,402,754	1,334,523
Support costs of schooling	1,035,607	-	1,035,607	1,110,485
Premises	1,581,363	-	1,581,363	2,068,936
Governance costs	-	136,295	136,295	90,499
	<u>7,262,156</u>	<u>136,295</u>	<u>7,398,451</u>	<u>7,590,797</u>
Total 2024 as restated	<u>7,500,298</u>	<u>90,499</u>	<u>7,590,797</u>	

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**11. Net income/(expenditure)**

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	As restated 2024 £
Depreciation - owned assets	291,626	303,800
Depreciation - assets on finance lease	16,013	7,593
Auditors' remuneration - audit	37,500	22,000
Operating lease payments - land and buildings	357,895	373,222
Operating lease payments - other	23,693	35,625
Exceptional items	-	(203,048)

**12. Staff costs**

	Group 2025 £	Group As restated 2024 £	Charitable Company 2025 £	Charitable Company As restated 2024 £
Wages and salaries	6,553,497	6,357,745	6,404,738	6,143,877
Social security costs	732,164	610,525	710,593	610,525
Contribution to defined contribution pension schemes	1,328,952	1,142,218	1,323,956	1,142,218
	<u>8,614,613</u>	<u>8,110,488</u>	<u>8,439,287</u>	<u>7,896,620</u>

During the year, total redundancy and termination payments amounted to £62,350 (2024: £37,267).

The average number of persons employed by the Charitable Company during the year was as follows:

	Group 2025 No.	Group 2024 No.
Teaching staff	82	91
Non-teaching staff	116	106
	<u>198</u>	<u>197</u>

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**12. Staff costs (continued)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group</b> 2025 No.	<b>Group</b> 2024 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	1	2
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charitable company was £1,063,928 (2024: £969,199).

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 August 2025, no Trustee expenses have been incurred (2024 - £NIL).

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**14. Tangible fixed assets**

**Group and Charitable Company**

	Freehold property £	Long-term leasehold property £	Short- term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipmen t £	Total £
<b>Cost</b>							
At 1 September 2024	1,785,000	5,549,876	149,987	347,352	2,370,432	413,240	10,615,887
Additions	-	-	-	16,995	275,244	9,184	301,423
Disposals	-	-	-	(29,141)	-	-	(29,141)
At 31 August 2025	<u>1,785,000</u>	<u>5,549,876</u>	<u>149,987</u>	<u>335,206</u>	<u>2,645,676</u>	<u>422,424</u>	<u>10,888,169</u>
<b>Depreciation</b>							
At 1 September 2024	17,850	2,216,536	149,987	111,413	1,983,594	355,065	4,834,445
Charge for the year	17,850	133,592	-	31,250	94,952	26,482	304,126
On disposals	-	-	-	(12,628)	-	-	(12,628)
At 31 August 2025	<u>35,700</u>	<u>2,350,128</u>	<u>149,987</u>	<u>130,035</u>	<u>2,078,546</u>	<u>381,547</u>	<u>5,125,943</u>
<b>Net book value</b>							
At 31 August 2025	<u>1,749,300</u>	<u>3,199,748</u>	<u>-</u>	<u>205,171</u>	<u>567,130</u>	<u>40,877</u>	<u>5,762,226</u>
At 31 August 2024	<u>1,767,150</u>	<u>3,333,340</u>	<u>-</u>	<u>235,939</u>	<u>386,838</u>	<u>58,175</u>	<u>5,781,442</u>

The net book value of the fixed assets, included in the above and in the below, which are held under finance leases is £105,296 (2024: £151,778).

The freehold property was valued on 21 February 2024 by Bradley Hall, Chartered Surveyors on an open market existing basis. Previous revaluations on both freehold property and long-term leasehold had been carried out prior to the transition to FRS 102 when the revalued amount was used as deemed cost.

The carrying amount under the cost model of the assets which were revalued would have been £3,666,533 (2024 - £3,732,916).

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**15. Fixed asset investments**

<b>Group</b>	<b>Unlisted investments £</b>	<b>Investment in joint ventures £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 September 2024	258,720	176	258,896
At 31 August 2025	<u>258,720</u>	<u>176</u>	<u>258,896</u>
<b>Charitable Company</b>	<b>Unlisted investments £</b>	<b>Investments in subsidiary companies £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 September 2024	258,720	1	258,721
At 31 August 2025	<u>258,720</u>	<u>1</u>	<u>258,721</u>

The Charitable Company has an investment in a subsidiary company, Durham School Trading Limited. Further details can be found in note 16. The Grove, Durham School, Quarryheads Lane, Durham, Co Durham, DH1 4SZ

The Charitable Company also has an unlisted investment represents a 10% shareholding in Durham Markets Company Limited.

The subsidiary noted above has an investment in a joint venture, Durham International Infinity Schools Limited.

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**16. Principal subsidiaries and joint ventures**

The following was a subsidiary undertaking of the Charitable Company:

<b>Name</b>	<b>Company number</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>
Durham School Trading Limited	04175538	The letting of facilities for events, meetings and weddings, the sale of school uniform and the advancement of opportunities for the development of international schools.	Ordinary	100%	Yes

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit for the year £</b>
Durham School Trading Limited	418,257	251,082	167,175
<b>Net assets £</b>			
	420,688		

**17. Stocks**

	<b>Group 2025 £</b>	<b>Group 2024 £</b>
Finished goods and goods for resale	2,138	7,968

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**18. Debtors**

	<b>Group</b> 2025 £	<b>Group</b> As restated 2024 £	<b>Charitable</b> <b>Company</b> 2025 £	<b>Charitable</b> <b>Company</b> As restated 2024 £
<b>Due within one year</b>				
Trade debtors	744,432	772,404	694,228	639,193
Amounts owed by group undertakings	-	-	-	308,236
Other debtors	52,919	88,298	52,919	43,674
Prepayments and accrued income	271,738	664,295	270,439	347,442
	<u>1,069,089</u>	<u>1,524,997</u>	<u>1,017,586</u>	<u>1,338,545</u>

The total bad debts written off during the year was £110,460.

**19. Creditors: Amounts falling due within one year**

	<b>Group</b> 2025 £	<b>Group</b> As restated 2024 £	<b>Charitable</b> <b>Company</b> 2025 £	<b>Charitable</b> <b>Company</b> As restated 2024 £
Bank loans	66,187	87,801	66,187	87,801
Trade creditors	568,408	1,012,306	537,269	903,351
Amounts owed to group undertakings	-	-	438,485	-
Other taxation and social security	708,784	171,063	702,265	171,063
Obligations under finance lease and hire purchase contracts	23,064	22,752	23,064	22,752
Other creditors	1,288,858	1,206,049	1,288,858	1,206,049
Accruals and deferred income	4,616,675	3,724,553	4,308,090	3,718,553
	<u>7,271,976</u>	<u>6,224,524</u>	<u>7,364,218</u>	<u>6,109,569</u>
	<b>Group</b> 2025 £	<b>Group</b> 2024 £	<b>Charitable</b> <b>Company</b> 2025 £	<b>Charitable</b> <b>Company</b> 2024 £
<b>Deferred income at 1 September 2024</b>	3,554,636	2,222,369	3,554,636	2,222,369
Resources deferred during the year	4,334,348	3,554,636	4,032,363	3,554,636
Amounts released from previous periods	(3,554,636)	(2,222,369)	(3,554,636)	(2,222,369)
<b>Deferred income at 31 August 2025</b>	<u>4,334,348</u>	<u>3,554,636</u>	<u>4,032,363</u>	<u>3,554,636</u>

Income deferred in the period relates to trips and visits and fees received in advance.

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**20. Creditors: Amounts falling due after more than one year**

	Group 2025 £	Group 2024 £	Charitable Company 2025 £	Charitable Company 2024 £
Bank loans	3,930,778	3,975,351	3,930,778	3,975,351
Net obligations under finance lease and hire purchase contracts	43,204	60,169	43,204	60,169
	<u>3,973,982</u>	<u>4,035,520</u>	<u>3,973,982</u>	<u>4,035,520</u>

**Secured debts**

Bank loans and overdrafts are secured over the freehold property known as The Extension to No. 1 Pimlico, No. 2 Pimlico, No. 4 Pimlico, Toll Bar Cottage, Durham together with an additional legal charge over the leasehold property known as Durham School Area 1.

The bank loan is repayable by monthly instalments to 22 January 2027. Interest is charged on a floating rate basis, under which the interest rate will never be less than the margin of 3.15% per annum.

Finance leases and hire purchase contracts are secured over the assets to which they relate.

**21. Prior year adjustments**

Prior year adjustments were made in relation to several areas, which mainly related to the identification of items which were included as an exceptional item in the Statement of Financial Activities for the year ended 31 August 2024. Those items related to unidentified bank and trade debtor reconciliation differences. As a result the previously stated exceptional item has reduced by £155,130 to the amount detailed in note 7. The other element of the £173,001 prior year adjustment being minor amendments to other creditors, other debtors and charitable activities expenditure.

The total impact of the above adjustments is as follows:

**Statement of Financial Activities Impact:**

Decrease in exceptional item	£155,130
Increase in charitable activities expenditure	£17,871
Decrease in unrestricted funds	£173,001

**Statement of Financial Position Impact:**

Decrease in trade debtors	£(90,143)
Increase in other creditors	£(87,429)
Increase in other debtors	£4,571
Decrease in unrestricted funds	£(173,001)

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**22. Statement of funds**

**Statement of funds - current year**

	<b>As restated Balance at 1 September 2024 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 August 2025 £</b>
<b>Unrestricted funds</b>					
General Funds	(7,852,098)	14,084,542	(14,065,946)	85,059	(7,748,443)
Revaluation reserve	4,677,118	-	-	(85,059)	4,592,059
	<u>(3,174,980)</u>	<u>14,084,542</u>	<u>(14,065,946)</u>	<u>-</u>	<u>(3,156,384)</u>
<b>Endowment funds</b>					
Davies Legacy	337,601	-	-	-	337,601
<b>Restricted funds</b>					
The Peter E.I. Lee Scholarship Fund	789,110	-	-	-	789,110
Hunt + Wrigley Legacy	20,000	-	-	-	20,000
Donated Deposits	423,574	58,301	-	-	481,875
Burkitt Scholarships	34,650	-	(6,000)	-	28,650
Trust Fund	565,383	-	-	-	565,383
	<u>1,832,717</u>	<u>58,301</u>	<u>(6,000)</u>	<u>-</u>	<u>1,885,018</u>
<b>Total of funds</b>	<u><u>(1,004,662)</u></u>	<u><u>14,142,843</u></u>	<u><u>(14,071,946)</u></u>	<u><u>-</u></u>	<u><u>(933,765)</u></u>

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**22. Statement of funds (continued)**

The purpose of each fund is as follows:

**Unrestricted funds**

General Fund

These funds represent the unrestricted resources available for the general work of the charitable company and its subsidiaries.

Revaluation Reserve

The revaluation reserve reflects the total revaluation of the freehold property.

The transfer is in respect of the additional depreciation charged on the assets at their revalued amounts in comparison to their historical cost values.

**Restricted funds**

Trust Fund

Trust funds represent various funds transferred from the Dean and Chapter of Durham. The Dean and Chapter of Durham is still the appointed Trustee, although the funds are now in the custody of Durham School.

The Peter E.I. Lee Scholarship Fund

The Peter E.I. Lee Scholarship fund is to be used for the granting of scholarships under the name of "The Lee Scholarships" and is to be awarded to academically qualified students of whom fifty percent should be of the Chinese race or of Hong Kong Chinese ancestry and the remaining fifty percent to be awarded to similarly qualified candidates of any race or nationality.

Hunt & Wrigley Legacy

This money is to be utilised in supporting the school with the costs of maths and engineering.

Donated Deposits

This balance represents student deposits where the pupil has left the school more than 6 months prior, and the initial deposit hasn't been reclaimed by the parent. In line with terms and conditions, all unreturned deposits are used to support the awarding of bursaries through the Langley Foundation or the School.

The Burkitt Scholarships Fund

The Burkitt Scholarships Fund is to be used to award academically qualified students entering year 12. Burkitt students gaining entry to Oxford or Cambridge receive further awards from this fund.

**Endowment funds**

Davies Legacy

The Davies Legacy was received from the Estate of the late Mr E W Davies. The income generated from the legacy is restricted to the use of educating children of Warrant and Non-commissioned Officers in HM Forces.

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**22. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As restated Balance at 31 August 2024 £
<b>Unrestricted funds</b>						
General Funds	(7,708,414)	13,855,944	(14,057,129)	57,501	-	(7,852,098)
Revaluation reserve	3,965,305	-	-	(57,501)	769,314	4,677,118
	<u>(3,743,109)</u>	<u>13,855,944</u>	<u>(14,057,129)</u>	<u>-</u>	<u>769,314</u>	<u>(3,174,980)</u>
<b>Endowment funds</b>						
Davies Legacy	317,990	5,560	(10,034)	-	24,085	337,601
<b>Restricted funds</b>						
The Peter E.I. Lee Scholarship Fund	829,296	13,200	(53,386)	-	-	789,110
The Catherine Cookson Charitable Trust	248,213	-	(248,213)	-	-	-
Hunt + Wrigley Legacy	20,000	-	-	-	-	20,000
Self Funded Balances	24,714	-	(24,714)	-	-	-
Donated Deposits	345,691	77,883	-	-	-	423,574
Burkitt Scholarships	21,350	25,000	(11,700)	-	-	34,650
Trust Fund	527,314	-	-	-	38,069	565,383
	<u>2,016,578</u>	<u>116,083</u>	<u>(338,013)</u>	<u>-</u>	<u>38,069</u>	<u>1,832,717</u>
<b>Total of funds</b>	<u><u>(1,408,541)</u></u>	<u><u>13,977,587</u></u>	<u><u>(14,405,176)</u></u>	<u><u>-</u></u>	<u><u>831,468</u></u>	<u><u>(1,004,662)</u></u>

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**23. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	5,762,226	-	-	5,762,226
Fixed asset investments	258,896	-	-	258,896
Current assets	2,068,452	1,885,018	337,601	4,291,071
Creditors due within one year	(7,271,976)	-	-	(7,271,976)
Creditors due in more than one year	(3,973,982)	-	-	(3,973,982)
<b>Total</b>	<b>(3,156,384)</b>	<b>1,885,018</b>	<b>337,601</b>	<b>(933,765)</b>

**Analysis of net assets between funds - prior year**

	As restated Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	As restated Total funds 2024 £
Tangible fixed assets	5,781,442	-	-	5,781,442
Fixed asset investments	258,896	-	-	258,896
Current assets	1,044,726	1,832,717	337,601	3,215,044
Creditors due within one year	(6,224,524)	-	-	(6,224,524)
Creditors due in more than one year	(4,035,520)	-	-	(4,035,520)
<b>Total As restated</b>	<b>(3,174,980)</b>	<b>1,832,717</b>	<b>337,601</b>	<b>(1,004,662)</b>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

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

	<b>Group 2025 £</b>	<b>Group As restated 2024 £</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	70,897	(365,435)
<b>Adjustments for:</b>		
Depreciation charges	304,126	311,393
Gains/(losses) on investments	-	(62,154)
Dividends, interests and rents from investments	(14,400)	(13,200)
Loss on the sale of fixed assets	3,513	-
Decrease/(increase) in stocks	5,830	(1,803)
Decrease/(increase) in debtors	455,908	(132,222)
Increase in creditors	1,068,754	1,221,810
Income attributable to endowment	-	(5,560)
<b>Net cash provided by operating activities</b>	<b>1,894,628</b>	<b>952,829</b>

**25. Analysis of cash and cash equivalents**

	<b>Group 2025 £</b>	<b>Group 2024 £</b>
Cash in hand	1,460	783
Cash at bank	3,218,384	1,681,296
<b>Total cash and cash equivalents</b>	<b>3,219,844</b>	<b>1,682,079</b>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**26. Analysis of changes in net debt**

	At 1 September 2024	Cash flows £	At 31 August 2025 £
Cash at bank and in hand	1,682,079	1,537,765	3,219,844
Debt due within 1 year	(87,801)	21,614	(66,187)
Debt due after 1 year	(3,975,351)	44,573	(3,930,778)
Finance leases	(82,921)	16,653	(66,268)
	(2,463,994)	1,620,605	(843,389)

**27. Contingent liabilities**

Properties transferred from the Dean and Chapter of Durham.

On 1 January 1995 the properties of the School as part of the Dean and Chapter of Durham were transferred to the charitable company on a variety of freehold, long and short leasehold agreements. The agreements provide that in the event of the sale of certain of the properties leased by the charitable company, a proportion of the proceeds generated are due to the Dean and Chapter of Durham as Landlords. The total contingent liability would amount to £4,365,000 (2024: £4,365,000) based on valuations of market values of property of £7,275,000 at 27 February 2024.

**28. Pension commitments**

Defined Contribution Scheme

The group operates a defined contribution pension schemes for academic and non-academic staff. The assets of the schemes are held separately from those of the group in an independently administered fund.

Defined Benefit Schemes

Some of the group's employees are members of the Teachers' Pension Scheme (England & Wales). This is a multi-employer defined benefit scheme for which the assets and liabilities attributable to the group can not be identified and is treated as a defined contribution scheme under FRS 102.

Group contributions charged to all of the group's schemes during the year amount to £1,328,952 (2024: £1,125,986). As at 31 August 2025 contributions of £168,747 were payable to the schemes (2024: £nil) and are included within other creditors.

**Teacher's Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**28. Pension commitments (continued)**

**Valuation of the Teacher's Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge). This is an increase of 5% in employer contributions and the cost control.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million.

The next valuation result is due to be implemented from 1 April 2028.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the charitable company has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charitable company has set out above the information available on the scheme.

**29. Operating lease commitments**

At 31 August 2025 the Group and the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b> 2025 £	Group 2024 £	<b>Charitable</b> <b>Company</b> 2025 £	Charitable Company 2024 £
Not later than 1 year	359,685	375,949	359,685	375,949
Later than 1 year and not later than 5 years	1,317,220	1,344,670	1,317,220	1,344,670
Later than 5 years	3,217,554	3,540,888	3,217,554	3,540,888
	<u>4,894,459</u>	<u>5,261,507</u>	<u>4,894,459</u>	<u>5,261,507</u>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2025**

**30. Members' liability**

The charitable company is incorporated under the Companies Act and does not have a Share Capital and is Limited by Guarantee.

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they ceased to be a member.

**31. Related party transactions**

The group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions with associated charitable companies:

During the year, the group was charged £nil (2024: £11,700) to cover secretarial and administration costs and received scholarships on behalf of pupils totalling £6,000 (2024: £25,000) from The Burkitt Scholarship Fund, which is a separately administered charitable company, in which the previous Headmaster, K McLaughlin, was a Trustee. As at 31 August 2025 the balance owed by the Burkitt Scholarship Fund was £32,949 (2024: £31,199).

Transactions with companies where a non-controlling interest is held:

During the year, dividend income of £14,400 (2024: £13,200) was received from Durham Markets Company Limited.

During the year total income of £261,272 was received from the joint venture Durham Infinity International Schools Limited.

Transactions with Trustees

During the year donations were received from trustees of £nil (2024: £400).



**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

England & Wales - Charity number 1023407

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# Accounts

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Registered number: 02776914  
Charity number: 1023407

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2023**

<b>Trustees</b>	R Ribchester, Chair Q Anstee (resigned 7 July 2023) K Ballantyne S Dobson K Fenwick (resigned 22 March 2024) M Hampel R Hillier J Hind G Hodgson M Regan (resigned 7 July 2023) K Richards J Robson (resigned 7 July 2023) N Turner M Martin (appointed 16 October 2023) C Elliott (appointed 9 September 2023) T Mole (appointed 14 December 2023) P Plyming (appointed 11 January 2024)
<b>Company registered number</b>	02776914
<b>Charity registered number</b>	1023407
<b>Registered office</b>	The Bursars Office Durham School Durham DH1 4SZ
<b>Company secretary</b>	E C Mussell
<b>Headmaster</b>	K J McLaughlin
<b>Independent auditors</b>	Clive Owen LLP Chartered Accountants Statutory Auditors Kepier House Belmont Business Park Durham DH1 1TW
<b>Bankers</b>	Barclays Bank PLC 6 Market Place Durham DH1 3NB
<b>Solicitors</b>	Swinburne Maddison LLP Venture House Aykley Heads Business Centre Durham DH1 5TS

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees, who are also Directors of Durham Cathedral Schools Foundation present their annual report together with the audited financial statements of the Company for the 1 September 2022 to 31 August 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**Objectives and aims**

The principal activity of the charitable company continues to be the provision of training and instruction of pupils, during the year ended 31 August 2023 at Durham School and Chorister School on the basis of Church of England principles in spiritual, moral, mental and physical training.

Durham Cathedral Schools Foundation comprised Chorister School at Bow Site (Nursery to Year 2), Chorister School at the Cathedral Site (Year 3 to Year 6), and Durham School (Year 7 to Year 13) during the year. It is a registered charity, and any and all surpluses are re invested in education. The charitable purpose for which the Foundation exists is Education. In addition to this, the Foundation has a vital role to play in the Community, both local and further afield, being a boarding and day school.

During the year the Foundation was divided between three sites, within a short walking distance from each other. The education of Day pupils aged 3 to 7 took place in the Nursery and Pre-Prep departments at Bow Site, Chorister School. Education of Day pupils, Choristers and Boarders aged 8 to 11 took place in the Prep department at Cathedral Site, Chorister School. The senior section at Durham School offered the choice of Day, Weekly Boarding and Full Boarding to pupils from the age of 11 to 18. Both Schools offered small classes and high-quality teaching and learning. The Foundation promotes an environment where civility, respect and a community spirit are expected of all pupils. The Foundation recognises the following standards which have been developed in conjunction with pupils, parents and staff and are standards which all involved in the Foundation should aspire to:

M Moral integrity  
A Ambition  
R Respect  
K Kindness

The broad strategies of improving academic performance, achieving excellence in teaching and learning, increasing headcount and continuing to develop the Junior School as a stronger long term feeder unit for the Senior School remain unchanged. Both Schools strive to ensure that pupils attain their full academic potential, and provide an increasing extra curricular programme of activities, which are organised to develop the concepts of responsibility, leadership and service.

The charitable company continues to have a close relationship with the Chapter of Durham Cathedral, which is the charitable company's main landlord at both the Durham School and the Cathedral Site. The University of Durham is the landlord of the Bow Site. The charitable company owns the entire share capital of Durham School Trading Limited, which organises the letting of Foundation facilities.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**Public Benefit**

The charitable company's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charitable company's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

Durham Cathedral Schools Foundation, as a registered charitable company, demonstrates its fulfilment of the Public Benefit criteria. Respect for others, with a charitable focus, is central to the Foundation's ethos, which enriches the life of the School's and provides opportunities for pupils of all ages to understand the importance of giving.

The areas of public benefit identified come under the headings:

1. Educating our own pupils, including scholarships and bursaries
2. Savings to the taxpayer
3. Community partnerships
4. Fundraising and charity events

**1. Educating our own pupils, including scholarships and bursaries**

Financial support to pupils is provided through means tested bursaries and scholarships for excellence.

In the financial year ended 31 August 2023 £791,919 was provided in means tested bursary support, and a further £651,974 in scholarship support for excellence by the Foundation. These amounts equated to 11.7% of fee income.

In addition to the support provided by the Foundation, financial support was also provided to Durham School pupils through The Burkitt Trust, which is administered by the School and specifically offers support to pupils achieving a high standard at GCSE level. In the year ended 31 August 2023 the Trust provided £30,884 of support.

In the 2016/17 year the Durham School developed a partnership arrangement with Castle View Enterprise Academy in Sunderland, through which substantial financial support was provided to 4 pupils to enable them to complete their A level studies at Durham School (3 in Year 13 and 1 in Year 12).

The Foundation continues to participate in 2 national schemes to provide financial support for pupils from overseas who would not otherwise have been able to access education in the UK, these were the HMC and ESU Schemes.

The Trustees regularly review the policies associated with Scholarships and Bursaries to ensure that they support the target of widening access to the Schools. As a result of these reviews the emphasis on means testing of awards has and will continue to increase.

**2. Savings to the taxpayer**

In 2022/23, the Foundation educated 738 children at no cost to the state, saving the taxpayer over £4 million annually, based on the published data for the cost of educating a child in the maintained sector. By providing an environment which is academic, residential, co educational and Anglican, the Foundation provides an environment not generally available in the maintained sector. There were 262 pupils in the Junior School, which based on published average funding levels for primary schools in the state sector equates to £1,310,000. In addition, 476 pupils were educated in the Senior School, which based on published average funding levels for secondary schools in the state sector equates to £2,762,000. In total therefore the saving to the tax payer is £4,072,000.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**3. Community partnerships**

**Partnerships and Social Impact**

As might be expected of a school that boasts a 600-year-old history, the Foundation has many long-term partnerships with organisations across the city, county and region. Guided by our values of Moral Integrity, Ambition, Responsibility and Kindness, the Foundation actively engages in a wide array of charitable work, across the whole Foundation, in our individual schools and as a whole. As well as benefiting many good causes, this work also helps to develop a sense of social responsibility in our pupils.

We share our facilities with organisations for free or at significantly discounted rates. We share expertise, coaching and equipment, and we regularly welcome members of the public into the Foundation for performances and events. More information about our partnerships can be found in our 2022/23 Partnership and Social Impact Report <https://link.dcsf.org.uk/socialimpact2023>.

“Our partnerships are at the heart of what we do. Supported by bursaries, the Foundation creates ripples of opportunity supporting young people across the world.” - Rob Ribchester, Chairman of Governors

**Teaching and Learning**

Holiday Clubs

We offer the opportunity to access our facilities and staff through our DCSF Holiday Camps that take place every October, Easter and Summer Vacations. Around 50 young people from the local community access forest school, craft and sports activities.

Partnerships with local Primary Schools

Through collaborative efforts with local schools, universities, and corporations, Durham Cathedral Schools Foundation is breaking barriers for underprivileged young people. These partnerships provide mentoring, resources, and hands-on experiences, demystifying STEM fields and helping pupils realise their potential in science and technology careers. From primary school lessons through to additional A level tutoring, DCSF is leading the way in County Durham for STEM partnerships between independent and state schools.

Partnership schools in 2022/23 included - St Margaret's Primary School, Durham, Neville's Cross Primary School, Durham and Shincliffe Primary School.

Partnerships with local Secondary Schools

The Foundation has strong links with Castle View Enterprise Academy, Sunderland. Initially the focus of the link was on the provision of financial support to enable Castle View Enterprise Academy pupils to access Sixth Form provision at Durham School, including staff visits to promote the sharing of teaching and learning knowledge and practice.

This year we hosted teams of pupils and staff from six schools across County Durham to experience Post-mortem Live, a live human body dissection experience. After the school sessions, the Foundation hosted two lectures by Post-mortem Live for 120 medical practitioners as part of their CPD.

In 2022/23 the Foundation also ran a programme of career sessions for local schools, particularly in the areas of university applications, elite applications for subjects including medicine, and degree apprenticeships.

**Sports**

Pentathlon GB

The Foundation hosts the regional Pentathlon GB Academy Hub. The Hub provides regular training sessions, both short-term and residential for budding pentathletes from the region. The Foundation provides facilities and some staffing for these activities at either cost or free of charge.

Swimming

The Foundation's swimming pool hosts around 500 young people each week, 50 weeks of the year, for swimming lessons with our partners, SWIM, and regular training sessions for groups including Durham

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

University Swimming, Durham University Water Polo and regular life guard training sessions.

We provide weekly term-time swimming lessons for three local primary schools: St. Margaret's, St. Michael's and St. Oswald's. In addition, the School provides lifeguard training through the RLSS Drowning Prevention at no cost to the same schools.

Cricket

The Foundation is a key member of the "Durham, Cricket City" partnership, alongside Durham City Cricket Club, Durham University, and Durham County Cricket Club. We provide cricket facilities for a wide variety of young people across the city. Our "Playground" is a top-quality pitch that is used to host various Durham City and Durham County games across the summer, including Durham County Visually Impaired Cricket. Our Palmers Close pitches are used regularly for junior and women's games.

We also offer our net facilities out to many local cricket clubs including Brandon, Durham City and Kimblesworth Cricket Clubs.

Hockey

Durham City Hockey Club regularly play fixtures on our AstroTurf at weekends. Without floodlights, this partnership takes up much of the available time on the surface at weekends. We are currently seeking ways to develop floodlighting on this space, so we can offer up to 15 hours of community use each week.

Netball

We host two local sides, Durham Palatinates and Durham Dodgers, in our indoor "Budworth Sports Centre" weekly as well as occasional sessions with Netball England's North East group.

Rugby

Durham School is one of the four oldest rugby clubs, and has long had a role in supporting rugby in the city, county and region. In 2025 it will celebrate its 175th anniversary. We regularly welcome Newcastle Falcons U15s and U18s for residential training camps. We also host a number of junior rugby festivals for local junior sides and deep links with Durham City Rugby, where many of our staff volunteer as coaches.

**The Arts**

Music

The Foundation hosts over 100 local musicians and singers every week for rehearsals and concerts, including the prestigious Durham Choral Society.

Drama

Over 40 young people attend drama and performance classes using school facilities each week. The Foundation also hosted several public performances over the year including plays, talks, and poetry readings.

Chorister Outreach

DCSF empowers young choristers at Durham Cathedral with substantial bursaries, covering up to 100% of fees. This support benefits up to 48 talented boys and girls in the Cathedral Choir, creating opportunities for them to flourish musically. In partnership with Durham Cathedral we run three Chorister Experience Days, each of which give the opportunity of up to 30 young people aged 6-13 the opportunity to see what life as a Cathedral Chorister is like, and offer them the opportunity to audition for the choir.

Durham Fringe Festival

DCSF is a founding member of Durham Fringe Festival which has just completed a successful third year and is now the biggest Fringe Festival in the North East. The founding board of directors all have links with the school (staff, parents and alumni) and our pupils interested in drama and performance volunteer at the Fringe. This year we had over 15 volunteers from the Foundation involved with the Fringe.

Heritage Open Days

The Foundation takes part in the English Heritage "Heritage Open Days" in the autumn of every year. In 2022 we organised guided tours of the Durham School site, with 59 visitors touring the site, hearing a short recital in the chapel, and returning to the historic "Big School" hall for an afternoon tea.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Objectives and activities (continued)**

**International Work**

Zambezi Sunrise Trust

DCSF has a long-running partnership with North East based charity, The Zambezi Sunrise Trust. The Trust carries out projects in schools in Zambia. The School now hosts the Zambezi Sunrise Trust Annual Dinner each November and undertakes other fundraising events throughout the year.

In addition, our pupils regularly exchange letters and video calls with pupils in Zambia. In recognition of this support, a classroom at a ZST School in Zambia has been named "The Durham Room". This year, we have donated approximately £20,000 of new uniform to the Zambezi Sunrise Trust which have distributed the uniform across schools in Zambia.

**Fundraising and Volunteering for other Charities**

The Charity Committee is chaired by the School Chaplain. Great importance is attached to the priority of educating young people in an awareness of the needs of others (local, national and global) and in fostering a spirit of generosity and compassion.

Over the 2022/23 academic year, pupils and staff at the Foundation raised £10,001 for charities and good causes. From our youngest pupils at the Chorister School through to our Sixth Form BTEC pupils, the majority of our pupils are involved in at least one fundraising activity during the year. All pupils belong to one of nine houses (4 junior, 5 senior), with each raising money for charities across the year.

This academic year the charities supported included United 24, Moving On, Oasis Community Housing, Children in Need, NSPCC, Save the Children Christmas Jumper Day, St Cuthbert's Hospice, Sands.org.uk, Zambezi Sunrise Trust, RSPB, and Movember.

Our senior pupils regularly take part in the Great North Run and other fundraising challenges. Many pupils undertake community service through the Duke of Edinburgh Award scheme.

**Achievements and performance**

**Charitable activities**

**a) Pupil Numbers**

Pupil numbers in 2022/23 were 476 pupils in Durham School and 262 at Chorister School. Pupil numbers in 2021/22 were 422 at Durham School and 255 at Bow School.

**b) Examination Results**

Academic performance within the school continues to be strong, with a 97% pass rate at A level (2022: 99%) and an A\* - B pass rate of 53.9% (2022: 73.4%) while at GCSE pass rates were: 7, 8 and 9 35.5% (2022: 52.9%), 6 - 9 pass rate of 56.8% (2022: 71.2%), and 4 - 9 90.8% (2021: 92.7%). It should be noted that in 2022 Ofqual decreed proportions of grades should be half way between the level reached in 2021 and the pre-COVID results of 2019 and marking and grade boundaries were adjusted accordingly. In 2023 no such mitigation was applied.

Academic performance continues to be a key focus for the Foundation.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Achievements and performance (continued)**

**c) Other achievements**

Other achievements in 2022/23:

- Music exam entries – there were 110 entries across a range of instruments, with 34% Pass, 41% Merit, 24% Distinction and 1% Fail. There were two ARSM Diplomas achieved.
- Music competitions were held throughout the academic year. These included a House music competition and the Chadeyron and Michael James music competitions.
- 5 pupils achieved Duke of Edinburgh Gold award, 10 pupils achieved the Silver award and 14 the Bronze award.
- Sporting success continues to be achieved both at team and individual basis across a wide variety of sports.

**e) International Developments**

In 2017/18 a formal agreement was signed in relation to the opening of the first international school in Doha. Durham School for Girls Doha aims to inspire a lifelong appetite for learning in a caring environment that will develop emotional, moral and spiritual strength for future leaders. Durham School for Girls Doha opened in August 2019 with in excess of 400 pupils on the school roll in year groups from the Foundation Stage to year 6. In academic year 2020/21 year groups 7 and 9 were added and the roll increased to 950 pupils. In academic year 2021/22 year groups 8, 10 and 12 were added and the roll increased to 1197. Students on roll in 22/23 were 1,310 with the school having a max capacity of 1,330.

In 2020 a formal agreement was signed in relation to opening Durham International Nursery and Pre-Prep School Nairobi. The School was opened in January 2021 (academic year 2020/21) with 60 pupils across year groups Nursery, Foundation Stage 1 and 2. In academic year 2021/22, year group 2 was added. In 22/23 there were 250 children on roll and the school is expanding into Year 3 and 4. The school has been accepted as a member of KAIS (Kenya Association of International Schools).

On 29th August 2022, Durham School Dubai opened in a new development within Dubai Investments Park with a site capacity of 1,700 pupils. Pupils on roll on opening were 89, with admissions increasing throughout 2022/23 to 164.

This venture will bring commercial, cultural and academic benefits to Durham School.

**Financial review**

**Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Reserves policy**

The policy of the Group is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in its infrastructure. As at 31 August 2023, the Group held fund balances of negative £1,408,541 comprising (£3,743,109) unrestricted funds, £2,016,578 restricted funds and £317,990 endowment funds.

After making appropriate enquiries the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Financial position**

The consolidated results for the year show a deficit of £414,549 (2022: £585,566 deficit). The budgeted position for 2022/23 was initially a breakeven position.

The long-term development plan for the Foundation continues to be to achieve a balance between investment back to the Schools by way of highly skilled personnel and physical enhancements, and the maintaining of surplus to reinstate reserves for the charitable company.

During 2016/17 the Foundation worked with its Bankers, Barclays Bank plc, to restructure the loans and overdraft of the Foundation. The new arrangements came into effect on 1 September 2017, this generated a reduction in the costs of borrowing. The Foundation successfully managed cash balances over the course of 2022/23 in difficult circumstances within the agreed overdraft facility limit. The loan agreement was re-negotiated in Feb 2024.

The charitable company continues to purchase insurance for the Trustees during the year to indemnify them against liabilities arising from acts as part of their duties as Trustees of the charitable company.

Note 21 to the accounts sets out analysis of the assets attributable to the various funds. The trustees consider these assets to be sufficient to meet the charitable company's obligations on a fund by fund basis.

**Investments policy**

The Foundation's tangible assets are all held for use in the Schools and the majority of the Foundation's investments are currently held in either the CBF Church of England Investment Fund or the COIF Charities Investment Fund. Both funds are invested primarily in equities and are aimed at achieving steady income and capital growth. Both funds have satisfactory long term performance records.

**Principal risks and uncertainties**

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to identify and minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects coupled with the judicious use of cash reserves to deal with monthly fluctuations in cash flow.

**FUTURE PLANS**

The long term aim of the Trustees is to provide reserves for the charitable company. The long-term aim is being taken forward through the following initiatives.

**1. Fundraising**

The development of funds to support financially assisted places at the Schools and capital projects continues to be a core aim.

**2. International activities**

Through its trading subsidiary Durham School Trading Limited, the Foundation in December 2012, entered into a joint venture company, Durham Infinity International Schools, with an Indian company to develop schools carrying the Durham School brand in other parts of the world.

As noted above in August 2019, Durham School for Girls Doha opened and the expansion plans continue to be very successful, with Nairobi school opening in January 2021. In August 2022, Durham School Dubai opened and recruitment of pupils continues to grow.

Work continues on the exploration of other options for the development of additional international schools.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**3. Revaluation of freehold properties**

The freehold properties of the Foundation were re-valued in February 2024, see note 30 for details.

**Structure, governance and management**

**Governing document**

The charitable company is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Durham Cathedral Schools Foundation was incorporated as a Company Limited by Guarantee on 4th January 1993. The charitable company has charitable status (Charity Number 1023407) and is governed by its Memorandum and Articles of Association (Company Number 02776914).

The Governors and Directors of Durham Cathedral Schools Foundation are also the Trustees of the charitable company. The Trustees nominate a new Trustee when a vacancy arises and the Trustees will then vote on whether or not to appoint. A Trustee offers him / herself for re election every three years. The chairman of the Trustees is re elected on an annual basis by the other Trustees. None of the Trustees receive any remuneration.

To fulfil the requirements of the Articles of Association the Board of Trustees, comprising up to fourteen members, meets each term to administer the charitable company. They appoint a Principal to manage the day to day operations of the charitable company.

There are also currently a number of Trustee led sub committees, which cover specific aspects of the business e.g. finance, estates, academic, marketing and health and safety. The sub committees involve officers of the charitable company as the Chairperson of that particular sub committee deemed to be appropriate. The sub committees also try to meet once each academic term.

New Trustees are reminded of their legal, and other, responsibilities and are provided with a thorough induction, which includes familiarisation in the layout, operations, staff and structure of the Schools in addition to financial, legal and safeguarding matters. Any subsequent training requirements that are brought to the attention of the Board of Trustees are seriously considered.

The Senior Management Team is as follows:

Principal & Headmaster - Durham School	K McLaughlin MA (Cantab)
Headmistress - Chorister School	S Harrod BA
Deputy Head (Academic)	A Pearson BSc
Operations Manager	H Bergenstjerna MSc (joined December 2023)
Chief Operating Officer	S Middleton (resigned November 2023)
Deputy Head Pastoral	H Thompson
Assistant Head (Boarding and Co-Curricular)	K Rochester
Assistant Head (Compliance)	P Gerrard
Development Director	A Beales
Director of International Operations	K Hannah
Company Secretary and Clerk to the Governors	E Mussell

The day to day running of the Schools is delegated to the Principal and the Senior Management Team.

Any dealings between the charitable company and any Related Parties are disclosed in Note 29 to the Accounts.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Structure, governance and management (continued)**

**Pay policy for key management personnel**

The remuneration of the Principal is set by the Chair of Trustees alongside the Finance & General Purposes Committee. Senior Management salaries are set by the Principal and reviewed by the Finance & General Purposes committee. These are benchmarked using data provided by sector associations.

**Risk management**

The Trustees have a duty to identify and review the risks to which the charitable company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board of Trustees is responsible for the management of the risks faced by the Foundation. During the year the Trustees have examined the principal areas of the Foundation's operations and considered the major risks associated with these areas. In the opinion of the Trustees the Foundation has established systems, which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day to day operations. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees continue to carefully monitor and review risk on a regular basis, and will ensure that systems and procedures are established to manage the risks. During the year high level risks were considered and agreed by the Trustees, these together with the supporting management controls are documented within the Foundation's risk register.

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**Auditors**

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 2/7/24 and signed on their behalf by:



**R Ribchester**  
(Chair of Trustees)

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**Opinion**

We have audited the financial statements of Durham Cathedral Schools Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 August 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**Material uncertainty related to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In the context of the above we draw attention to note 1.2 in the financial statements, which refers to the application of the going concern concept being applied in the preparation of the consolidated financial statements. As stated in note 1.2, these events and conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Group's or the Parent Charitable Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 course of 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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, 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**Auditors' 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 Auditors' 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.

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 have undertaken the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, charity law, company law, health and safety law, food and hygiene regulations, taxation law, Independent Schools Regulator and GDPR.
- Enquiry of Trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of Trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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 located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Gary Ellis BA BFP FCA (Senior statutory auditor)**

for and on behalf of  
**Clive Owen LLP**

Chartered Accountants

Statutory Auditors

Kepier House

Belmont Business Park

Durham

DH1 1TW

*5 July 2024*

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income and endowments from:</b>						
Donations and legacies	3	-	400,093	15,205	415,298	459,472
Charitable activities	4	-	(29,857)	11,798,104	11,768,247	9,337,611
Other trading activities	5	-	-	201,068	201,068	209,154
Investments	6	8,522	26,420	362,259	397,201	395,979
<b>Total income and endowments</b>		<u>8,522</u>	<u>396,656</u>	<u>12,376,636</u>	<u>12,781,814</u>	<u>10,402,216</u>
<b>Expenditure on:</b>						
Raising funds	7	-	-	481,000	481,000	376,617
Charitable activities	8	-	9,688	12,691,251	12,700,939	10,572,287
<b>Total expenditure</b>		<u>-</u>	<u>9,688</u>	<u>13,172,251</u>	<u>13,181,939</u>	<u>10,948,904</u>
<b>Net income/(expenditure) before net losses on investments</b>		8,522	386,968	(795,615)	(400,125)	(546,688)
Net losses on investments		(5,862)	(8,562)	-	(14,424)	(38,878)
<b>Net movement in funds</b>		<u>2,660</u>	<u>378,406</u>	<u>(795,615)</u>	<u>(414,549)</u>	<u>(585,566)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		315,330	1,638,172	(2,947,494)	(993,992)	(408,426)
Net movement in funds		2,660	378,406	(795,615)	(414,549)	(585,566)
<b>Total funds carried forward</b>		<u>317,990</u>	<u>2,016,578</u>	<u>(3,743,109)</u>	<u>(1,408,541)</u>	<u>(993,992)</u>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 20 to 43 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)  
REGISTERED NUMBER: 02776914

**CONSOLIDATED BALANCE SHEET**  
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	5,216,372	5,312,643
Investments	14	1,024,824	1,038,147
		6,241,196	6,350,790
<b>Current assets</b>			
Stocks	15	6,165	3,366
Debtors	16	1,392,775	1,387,565
Cash at bank and in hand		83,139	153,598
		1,482,079	1,544,529
Creditors: amounts falling due within one year	17	(5,129,104)	(4,850,635)
<b>Net current liabilities</b>		(3,647,025)	(3,306,106)
<b>Total assets less current liabilities</b>		2,594,171	3,044,684
Creditors: amounts falling due after more than one year	18	(4,002,712)	(4,038,676)
<b>Net liabilities excluding pension asset</b>		(1,408,541)	(993,992)
<b>Total net assets</b>		(1,408,541)	(993,992)
<b>Charity funds</b>			
Endowment funds	20	317,990	315,330
Restricted funds	20	2,016,578	1,638,172
Unrestricted funds	20	(3,743,109)	(2,947,494)
<b>Total funds</b>		(1,408,541)	(993,992)

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 2/7/24 and signed on their behalf by:



**R Ribchester**  
(Chair of Trustees)

The notes on pages 20 to 43 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02776914**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	5,216,372	5,312,643
Investments	14	1,024,649	1,037,972
		6,241,021	6,350,615
<b>Current assets</b>			
Debtors	16	1,275,200	1,477,165
Cash at bank and in hand		33,458	5,187
		1,308,658	1,482,352
Creditors: amounts falling due within one year	17	(5,034,566)	(4,824,293)
<b>Net current liabilities</b>		(3,725,908)	(3,341,941)
<b>Total assets less current liabilities</b>		2,515,113	3,008,674
Creditors: amounts falling due after more than one year	18	(4,002,712)	(4,038,676)
<b>Net liabilities excluding pension asset</b>		(1,487,599)	(1,030,002)
<b>Total net assets</b>		(1,487,599)	(1,030,002)
<b>Charity funds</b>			
Endowment funds	20	317,990	315,330
Restricted funds	20	2,016,578	1,638,172
Unrestricted funds	20	(3,822,167)	(2,983,504)
<b>Total funds</b>		(1,487,599)	(1,030,002)

The Company's net movement in funds for the year was £(457,597) (2022 - £(624,560)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 21/7/24 and signed on their behalf by:



**R Ribchester**  
(Chair of Trustees)

The notes on pages 20 to 43 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	238,677	(228,148)
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	26,420	15,341
Purchase of tangible fixed assets	(122,588)	(135,120)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(96,168)	(119,779)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(121,430)	(56,299)
Repayments of finance leases	(35,408)	(5,941)
Receipt of endowment	8,522	8,458
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	(148,316)	(53,782)
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	(5,807)	(401,709)
Cash and cash equivalents at the beginning of the year	82,954	484,663
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<u>77,147</u>	<u>82,954</u>

The notes on pages 20 to 43 form part of these financial statements

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. Accounting policies**

**1.1 Basis of preparation and consolidation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

There were no material departures from the standard.

Durham Cathedral Schools Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements are reported in £ sterling.

**1.2 Going concern**

The Group's charitable activities, together with factors likely to affect its future development and performance, are set out in the Trustee's Report.

The terms of financing facilities provided by Barclays plc to the group were renegotiated recently and expire in August 2024. Based on discussions between the parties it is not anticipated that these financing facilities will be withdrawn or indeed that the terms of new facilities will be less favourable than the existing ones.

The Trustees have assessed the cash requirements of the Group for the period of at least one year from the date of issue of the financial statements. Based on that – and subject to the renewal of the financing facilities and continued support of the bank – the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Given the factors above, along with continued losses and a potential change of government which may lead to changes to VAT legislation, there is a material uncertainty over going concern. Nevertheless the Trustees believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements, taking the above factors/measures, and the continued support of the bank, into account.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**1. Accounting policies (continued)**

**1.3 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Gross fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the school.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The freehold and leasehold properties were revalued prior to the FRS transition date. On the date of transition the group accepted the transitional relief to recognise the value of those assets as deemed cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- straight line over 50 years
Leasehold property	- straight line over 15 - 50 years
Motor vehicles	- straight line over 10 years
Fixtures and fittings	- straight line over 10 - 15 years
Computer equipment	- straight line over 5 years

No depreciation is provided on freehold land.

**1.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The Consolidated statement of financial activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within unrestricted funds.

**1.7 Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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**1. Accounting policies (continued)**

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

**1.11 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.12 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.13 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group.

The interest element of these obligations is charged to the Balance Sheet over the relevant period. The capital element of the future payments is treated as a liability.

**1.14 Operating leases**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

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**1. Accounting policies (continued)**

**1.15 Pensions**

The charitable company makes contributions to the Teachers Pension Scheme for academic staff and to a selective pension plan for non-academic staff. Contributions payable to the pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

**1.16 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Endowment funds represent the permanent funds of the School. All income generated by these funds is unrestricted and used to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Bad debt provision:

The school has included provisions for bad and doubtful debts. Debts considered to be bad are provided for in full. The total bad debt provision at 31 August 2023 is £613,820 (2022 : £505,867).

Deferred income:

Fees paid in advance are allocated to deferred income and released each term across the year to which the payment relates. Income is to be released evenly each term. The judgment lies around the release of the income across the deferral period and ensuring this income is recognised in the correct period.

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**3. Income from donations and legacies**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Donations</b>				
Donations	54,402	15,205	69,607	459,472
Exceptional item - unclaimed deposits released	345,691	-	345,691	-
<b>Subtotal detailed disclosure</b>	<u>400,093</u>	<u>15,205</u>	<u>415,298</u>	<u>459,472</u>
	<u>400,093</u>	<u>15,205</u>	<u>415,298</u>	<u>459,472</u>
Total 2022	<u>459,472</u>	<u>-</u>	<u>459,472</u>	

**4. Income from charitable activities**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
School fees income	-	12,355,409	12,355,409	10,299,905
Bursaries, grants and allowances	(60,041)	(2,004,033)	(2,064,074)	(1,857,385)
Other ancillary fees	30,184	1,446,728	1,476,912	895,091
	<u>(29,857)</u>	<u>11,798,104</u>	<u>11,768,247</u>	<u>9,337,611</u>
Total 2022	<u>(73,911)</u>	<u>9,411,522</u>	<u>9,337,611</u>	

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**5. Income from other trading activities**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Trading subsidiary income	201,068	201,068	209,154
	<u>201,068</u>	<u>201,068</u>	
Total 2022	<u>209,154</u>	<u>209,154</u>	

**6. Investment income**

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	8,522	26,420	362,259	397,201	395,979
	<u>8,522</u>	<u>26,420</u>	<u>362,259</u>	<u>397,201</u>	
Total 2022	<u>8,458</u>	<u>15,341</u>	<u>372,180</u>	<u>395,979</u>	

**7. Costs of raising funds**

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Finance costs	326,758	326,758	223,098
Trading subsidiary expenditure	154,242	154,242	153,519
	<u>481,000</u>	<u>481,000</u>	<u>376,617</u>
Total 2022	<u>376,617</u>	<u>376,617</u>	

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**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Educational charitable activities	9,688	12,596,695	12,606,383	10,522,916
Governance costs	-	94,556	94,556	49,371
	<u>9,688</u>	<u>12,691,251</u>	<u>12,700,939</u>	<u>10,572,287</u>
Total 2022	<u>-</u>	<u>10,572,287</u>	<u>10,572,287</u>	

**Summary by expenditure type**

	Staff costs 2023 £	Depreciation 2023 £	Other costs 2023 £	Total 2023 £	Total 2022 £
Educational charitable activities	7,122,917	294,966	5,188,500	12,606,383	10,522,916
Governance	-	-	94,556	94,556	49,371
	<u>7,122,917</u>	<u>294,966</u>	<u>5,283,056</u>	<u>12,700,939</u>	<u>10,572,287</u>
Total 2022	<u>6,547,377</u>	<u>312,793</u>	<u>3,712,117</u>	<u>10,572,287</u>	

**9. Analysis of expenditure by activities**

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational charitable activities	5,857,552	6,748,831	12,606,383	10,522,916
Governance	-	94,556	94,556	49,371
	<u>5,857,552</u>	<u>6,843,387</u>	<u>12,700,939</u>	<u>10,572,287</u>
Total 2022	<u>5,504,248</u>	<u>5,068,039</u>	<u>10,572,287</u>	

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**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	Educational charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	4,898,048	4,898,048	5,096,053
Educational costs	925,164	925,164	376,114
Welfare	34,340	34,340	32,081
	<u>5,857,552</u>	<u>5,857,552</u>	<u>5,504,248</u>
Total 2022	<u>5,504,248</u>	<u>5,504,248</u>	

**Analysis of support costs**

	Educational charitable activities 2023 £	Governance 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	2,224,869	-	2,224,869	1,451,324
Depreciation	294,966	-	294,966	312,793
Welfare	1,567,732	-	1,567,732	1,344,237
Support costs of schooling	1,070,608	-	1,070,608	622,398
Premises	1,590,656	-	1,590,656	1,287,916
Governance costs	-	94,556	94,556	49,371
	<u>6,748,831</u>	<u>94,556</u>	<u>6,843,387</u>	<u>5,068,039</u>
Total 2022	<u>5,018,668</u>	<u>49,371</u>	<u>5,068,039</u>	

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**10. Net income/(expenditure)**

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Depreciation - owned assets	288,737	303,933
Depreciation - assets on finance lease	6,228	8,860
Auditors' remuneration - audit	18,560	18,560
Operating lease payments - land and buildings	343,777	158,635
Operating lease payments - other	44,016	13,261

**11. Staff costs**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	5,620,685	5,234,402	5,519,170	5,167,594
Social security costs	557,085	500,298	555,932	500,298
Contribution to defined contribution pension schemes	945,147	812,677	940,569	812,677
	7,122,917	6,547,377	7,015,671	6,480,569
	7,122,917	6,547,377	7,015,671	6,480,569

During the year, total redundancy and termination payments amounted to £nil (2022: £20,000).

The average number of persons employed by the Company during the year was as follows:

	Group 2023 No.	Group 2022 No.
Teaching staff	88	92
Non-teaching staff	95	88
	183	180
	183	180

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**11. Staff costs (continued)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	-

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charitable company was £656,083 (2022: £629,340).

**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

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**12. Trustees' remuneration and expenses (continued)**

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

**13. Tangible fixed assets**

**Group and Company**

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>							
At 1 September 2022	1,400,000	5,549,876	149,987	218,688	2,253,935	372,301	9,944,787
Additions	-	-	-	135,208	47,162	30,426	212,796
Disposals	-	-	-	(33,845)	-	-	(33,845)
At 31 August 2023	<u>1,400,000</u>	<u>5,549,876</u>	<u>149,987</u>	<u>320,051</u>	<u>2,301,097</u>	<u>402,727</u>	<u>10,123,738</u>
<b>Depreciation</b>							
At 1 September 2022	340,690	1,946,304	149,987	81,488	1,817,694	295,981	4,632,144
Charge for the year	29,624	135,544	-	19,985	80,826	28,986	294,965
On disposals	-	-	-	(19,743)	-	-	(19,743)
At 31 August 2023	<u>370,314</u>	<u>2,081,848</u>	<u>149,987</u>	<u>81,730</u>	<u>1,898,520</u>	<u>324,967</u>	<u>4,907,366</u>
<b>Net book value</b>							
At 31 August 2023	<u>1,029,686</u>	<u>3,468,028</u>	<u>-</u>	<u>238,321</u>	<u>402,577</u>	<u>77,760</u>	<u>5,216,372</u>
At 31 August 2022	<u>1,059,310</u>	<u>3,603,572</u>	<u>-</u>	<u>137,200</u>	<u>436,241</u>	<u>76,320</u>	<u>5,312,643</u>

The net book value of the fixed assets, included in the above and in the below, which are held under finance leases is £126,382 (2022: £56,504).

The land and buildings were revalued on 20 October 2010 by Sanderson Weatherall, Chartered Surveyors on an open market existing basis. A relief on transition to FRS 102 was taken and therefore this value is now used as the deemed cost.

The carrying amount under the cost model of the assets which were revalued would have been £3,841,953 (2022 - £3,950,990).

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**14. Fixed asset investments**

<b>Group</b>	Listed investments £	Unlisted investments £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>				
At 1 September 2022	779,251	258,720	176	1,038,147
Revaluations	(13,323)	-	-	(13,323)
At 31 August 2023	<u>765,928</u>	<u>258,720</u>	<u>176</u>	<u>1,024,824</u>
<b>Company</b>	Listed investments £	Unlisted investments £	Investments in subsidiary companies £	Total £
<b>Cost or valuation</b>				
At 1 September 2022	779,251	258,720	1	1,037,972
Revaluations	(13,323)	-	-	(13,323)
At 31 August 2023	<u>765,928</u>	<u>258,720</u>	<u>1</u>	<u>1,024,649</u>

**15. Stocks**

	Group 2023 £	Group 2022 £
Finished goods and goods for resale	6,165	3,366

An impairment loss of £nil (2022 - £36,705) was recognised as an expense in the during the year due to slow-moving and obsolete stock.

**16. Debtors**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>Due within one year</b>				
Trade debtors	1,042,284	1,183,503	951,167	1,050,222
Amounts owed by group undertakings	-	-	200,966	244,288
Other debtors	54,309	-	47,560	-
Prepayments and accrued income	296,182	204,062	75,507	182,655
	<u>1,392,775</u>	<u>1,387,565</u>	<u>1,275,200</u>	<u>1,477,165</u>

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**17. Creditors: Amounts falling due within one year**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank overdrafts	5,992	70,644	5,992	70,644
Bank loans	208,750	252,893	208,750	252,893
Trade creditors	1,043,680	582,761	954,992	568,112
Other taxation and social security	274,455	129,495	274,455	126,175
Obligations under finance lease and hire purchase contracts	22,201	8,724	22,201	8,724
Other creditors	1,185,623	1,344,678	1,185,623	1,337,805
Accruals and deferred income	2,388,403	2,461,440	2,382,553	2,459,940
	<u>5,129,104</u>	<u>4,850,635</u>	<u>5,034,566</u>	<u>4,824,293</u>
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred income at 1 September 2022	2,318,856	2,780,879	2,318,856	2,780,879
Resources deferred during the year	2,222,369	2,337,176	2,222,369	2,337,176
Amounts released from previous periods	(2,318,856)	(2,799,199)	(2,318,856)	(2,799,199)
<b>Deferred income at 31 August 2023</b>	<u>2,222,369</u>	<u>2,318,856</u>	<u>2,222,369</u>	<u>2,318,856</u>

Income deferred in the period relates to trips and visits income and fees received in advance.

**18. Creditors: Amounts falling due after more than one year**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	3,942,203	4,019,490	3,942,203	4,019,490
Net obligations under finance lease and hire purchase contracts	60,509	19,186	60,509	19,186
	<u>4,002,712</u>	<u>4,038,676</u>	<u>4,002,712</u>	<u>4,038,676</u>

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**19. Secured debts**

	2023	2022
	£	£
Bank overdrafts	5,992	70,644
Bank loans	4,150,953	4,272,383
Finance leases and hire purchase contracts	82,710	27,910
	<u>                    </u>	<u>                    </u>

Bank loans and overdrafts are secured over the freehold property known as The Extension to No. 1 Pimlico, No. 2 Pimlico, No. 4 Pimlico, Toll Bar Cottage, Durham together with an additional legal charge over the leasehold property known as Durham School Area 1.

Finance leases and hire purchase contracts are secured over the assets to which they relate.

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**20. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>						
General Funds - all funds	(6,968,930)	12,376,636	(13,172,251)	56,131	-	(7,708,414)
Revaluation reserve	4,021,436	-	-	(56,131)	-	3,965,305
	<u>(2,947,494)</u>	<u>12,376,636</u>	<u>(13,172,251)</u>	<u>-</u>	<u>-</u>	<u>(3,743,109)</u>
<b>Endowment funds</b>						
Endowment Funds - all funds	315,330	8,522	-	-	(5,862)	317,990
<b>Restricted funds</b>						
Restricted Funds - all funds	522,356	13,520	-	-	(8,562)	527,314
The Peter E.I. Lee Scholarship Fund	867,603	(38,307)	-	-	-	829,296
The Catherine Cookson Charitable Trust	248,213	-	-	-	-	248,213
Restricted Legacy	-	20,000	-	-	-	20,000
Self Funded Balances	-	34,402	(9,688)	-	-	24,714
Donated Deposits	-	345,691	-	-	-	345,691
Burkitt Scholarships	-	21,350	-	-	-	21,350
	<u>1,638,172</u>	<u>396,656</u>	<u>(9,688)</u>	<u>-</u>	<u>(8,562)</u>	<u>2,016,578</u>
<b>Total of funds</b>	<u>(993,992)</u>	<u>12,781,814</u>	<u>(13,181,939)</u>	<u>-</u>	<u>(14,424)</u>	<u>(1,408,541)</u>

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**20. Statement of funds (continued)**

The purpose of each fund is as follows:

**Unrestricted funds**

General Fund

These funds represent the unrestricted resources available for the general work of the charitable company and its subsidiaries.

**Restricted funds**

Trust Fund

Trust funds represent various funds transferred from the Dean and Chapter of Durham. The Dean and Chapter of Durham is still the appointed Trustee, although the funds are now in the custody of Durham School.

The Peter E.I. Lee Scholarship Fund

The Peter E.I. Lee Scholarship fund is to be used for the granting of scholarships under the name of "The Lee Scholarships" and is to be awarded to academically qualified students of whom fifty percent should be of the Chinese race or of Hong Kong Chinese ancestry and the remaining fifty percent to be awarded to similarly qualified candidates of any race or nationality.

The Catherine Cookson Charitable Trust

This money is to be utilised in support of the School's bursary campaign.

**Endowment funds**

Davies Legacy

The Davies Legacy was received from the Estate of the late Mr E W Davies. The income generated from the legacy is restricted to the use of educating children of Warrant and Non-commissioned Officers in HM Forces.

The transfer noted above is in respect of the additional depreciation charged on the assets at their revalued amounts in comparison to their historical cost values.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**20. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Fund	(6,245,044)	10,177,328	(10,948,904)	47,690	-	(6,968,930)
Revaluation reserve	4,069,126	-	-	(47,690)	-	4,021,436
	<u>(2,175,918)</u>	<u>10,177,328</u>	<u>(10,948,904)</u>	<u>-</u>	<u>-</u>	<u>(2,947,494)</u>
<b>Endowment funds</b>						
Davies Legacy	345,750	8,458	-	-	(38,878)	315,330
<b>Restricted funds</b>						
The Peter E.I. Lee Scholarship Fund	519,015	3,341	-	-	-	522,356
The Catherine Cookson Charitable Trust	902,727	(35,124)	-	-	-	867,603
Restricted Legacy	-	248,213	-	-	-	248,213
	<u>1,421,742</u>	<u>216,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,638,172</u>
<b>Total of funds</b>	<u><u>(408,426)</u></u>	<u><u>10,402,216</u></u>	<u><u>(10,948,904)</u></u>	<u><u>-</u></u>	<u><u>(38,878)</u></u>	<u><u>(993,992)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	5,216,372	5,216,372
Fixed asset investments	295,169	470,759	258,896	1,024,824
Current assets	22,821	1,545,819	(86,561)	1,482,079
Creditors due within one year	-	-	(5,129,104)	(5,129,104)
Creditors due in more than one year	-	-	(4,002,712)	(4,002,712)
<b>Total</b>	<b>317,990</b>	<b>2,016,578</b>	<b>(3,743,109)</b>	<b>(1,408,541)</b>

**Analysis of net assets between funds - prior year**

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	5,312,643	5,312,643
Fixed asset investments	300,595	737,376	176	1,038,147
Current assets	14,735	900,796	628,998	1,544,529
Creditors due within one year	-	-	(4,850,635)	(4,850,635)
Creditors due in more than one year	-	-	(4,038,676)	(4,038,676)
<b>Total</b>	<b>315,330</b>	<b>1,638,172</b>	<b>(2,947,494)</b>	<b>(993,992)</b>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**22. Reconciliation of net movement in funds to net cash flow from operating activities**

	Group 2023 £	Group 2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(414,549)	(585,566)
<b>Adjustments for:</b>		
Depreciation charges	294,965	312,793
Gains on investments	13,323	38,879
Dividends, interests and rents from investments	(26,420)	(15,341)
Loss on the sale of fixed assets	14,102	-
Decrease/(increase) in stocks	(2,799)	47,440
Decrease/(increase) in debtors	(5,210)	145,428
Increase/(decrease) in creditors	373,787	(163,323)
Income attributable to endowment	(8,522)	(8,458)
<b>Net cash provided by/(used in) operating activities</b>	<u>238,677</u>	<u>(228,148)</u>

**23. Analysis of cash and cash equivalents**

	Group 2023 £	Group 2022 £
Cash in hand	717	(193)
Cash at bank	82,422	153,791
Overdraft facility repayable on demand	(5,992)	(70,644)
<b>Total cash and cash equivalents</b>	<u>77,147</u>	<u>82,954</u>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**24. Analysis of changes in net debt**

	At 1 September 2022	Cash flows £	New finance leases £	At 31 August 2023 £
Cash at bank and in hand	153,598	(70,459)	-	83,139
Bank overdrafts repayable on demand	(70,644)	64,652	-	(5,992)
Debt due within 1 year	(252,893)	44,143	-	(208,750)
Debt due after 1 year	(4,019,490)	77,287	-	(3,942,203)
Finance leases	(27,910)	35,408	(90,208)	(82,710)
	<u>(4,217,339)</u>	<u>151,031</u>	<u>(90,208)</u>	<u>(4,156,516)</u>

**25. Contingent liabilities**

Properties transferred from the Dean and Chapter of Durham.

On 1 January 1995 the properties of the School as part of the Dean and Chapter of Durham were transferred to the charitable company on a variety of freehold, long and short leasehold agreements. The agreements provide that in the event of the sale of certain of the properties leased by the charitable company, a proportion of the proceeds generated are due to the Dean and Chapter of Durham as Landlords. The total contingent liability would amount to £4,134,000 (2022: £4,134,000) based on valuations of market values of property of £6,890,000 at 20 October 2010.

**26. Pension commitments**

Defined Contribution Scheme

The charitable company operates a defined contribution pension schemes for academic and non-academic staff. The assets of the schemes are held separately from those of the group in an independently administered fund.

Defined Benefit Schemes

Some of the charitable company's employees are members of the Teachers' Pension Scheme (England & Wales). This is a multi-employer defined benefit scheme for which the assets and liabilities attributable to the charitable company can not be identified and is treated as a defined contribution scheme under FRS 102.

Charitable company contributions charged to all of the charitable company's Schemes during the year amount to £940,569 (2022: £812,677). All contributions were paid during the year.

**Teacher's Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teacher's Pension Scheme**

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**26. Pension commitments (continued)**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The next valuation result is due to be implemented from 1 April 2024.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme

**27. Operating lease commitments**

At 31 August 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Not later than 1 year	312,534	313,896	312,534	313,896
Later than 1 year and not later than 5 years	1,381,928	1,429,645	1,381,928	1,429,645
Later than 5 years	3,919,358	4,177,542	3,919,358	4,177,542
	<u>5,613,820</u>	<u>5,921,083</u>	<u>5,613,820</u>	<u>5,921,083</u>

**28. Members' liability**

The charitable company is incorporated under the Companies Act and does not have a Share Capital and is Limited by Guarantee.

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**29. Related party transactions**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions with associated charitable companies:

During the year, the charitable company charged £4,000 (2022: £4,000) to cover secretarial and administration costs and received scholarships on behalf of pupils totalling £30,884 (2022: £29,994) from The Burkitt Scholarship Fund, which is a separately administered charitable company, in which the Headmaster, K McLaughlin, is a Trustee. As at 31 August 2023 the balance owed by the Burkitt Scholarship Fund was £33,699 (2022: £7,027).

During the year, the charitable company received scholarships on behalf of pupils of £1,380 (2022: nil) from Durham School Langley Foundation, which is a separately administered charitable company, in which G Hodgson and R Ribchester are trustees. As at 31 August 2023 the balance owed to Durham School Langley Foundation was £24,157 (2022: £26,748).

Transactions with companies where a non-controlling interest is held:

During the year, dividend income of £12,900 (2022:£12,000) was received from Durham Markets Company Limited.

Transactions with Trustees

During the year donations were received from trustees of £1,200 (2022: £1,200).

**30. Post balance sheet events**

The freehold property held by the Trust was revalued on 21st February 2024. The effect of the revaluation would be an increase in carrying value from the year end balance of £1.03m to a balance of £1.785m.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**31. Principal subsidiaries and joint ventures**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Class of shares</b>
Durham School Trading Limited	04175538	The Grove, Durham School, Quarryheads Lane, Durham, Co Durham, DH1 4SZ	Ordinary
<b>Holding</b>	<b>Included in consolidation</b>		
100%	Yes		

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Net assets £</b>
Durham School Trading Limited	563,270	320,221	79,060

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

England & Wales - Charity number 1023407

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# Accounts

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Registered number: 02776914  
Charity number: 1023407

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2022**

<b>Trustees</b>	R Ribchester, Chair Q Anstee K Ballantyne S Dobson K Fenwick M Hampel R Hillier J Hind (appointed 18 March 2022) G Hodgson M Regan K Richards J Robson R Swart (resigned 1 July 2022) A Tremlett (resigned 1 July 2022) N Turner
<b>Company registered number</b>	02776914
<b>Charity registered number</b>	1023407
<b>Registered office</b>	The Bursars Office Durham School Durham DH1 4SZ
<b>Company secretary</b>	E C Mussell
<b>Headmaster</b>	K J McLaughlin
<b>Independent auditors</b>	Clive Owen LLP Chartered Accountants Statutory Auditors Kepier House Belmont Business Park Durham DH1 1TW
<b>Bankers</b>	Barclays Bank PLC 6 Market Place Durham DH1 3NB
<b>Solicitors</b>	Swinburne Maddison LLP Venture House Aykley Heads Business Centre Durham DH1 5TS

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees, who are also Directors of Durham Cathedral Schools Foundation present their annual report together with the audited financial statements of the Company for the year 1 September 2021 to 31 August 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**Objectives and aims**

The principal activity of the charitable company continues to be the provision of training and instruction of pupils, during the year ended 31 August 2022 at Durham School and Chorister School on the basis of Church of England principles in spiritual, moral, mental and physical training.

Durham Cathedral Schools Foundation comprised Chorister School at Bow Site (Nursery to Year 2), Chorister School at the Cathedral Site (Year 3 to Year 6), and Durham School (Year 7 to Year 13) during the year. It is a registered charity, and any and all surpluses are re invested in education. The charitable purpose for which the Foundation exists is Education. In addition to this, the Foundation has a vital role to play in the Community, both local and further afield, being a boarding and day school.

During the year the Foundation was divided between three sites, within a short walking distance from each other. The education of Day pupils aged 3 to 7 took place in the Nursery and Pre-Prep departments at Bow Site, Chorister School. Education of Day pupils, Choristers and Boarders aged 8 to 11 took place in the Prep department at Cathedral Site, Chorister School. The senior section at Durham School offered the choice of Day, Weekly Boarding and Full Boarding to pupils from the age of 11 to 18. Both Schools offered small classes and high-quality teaching and learning. The Foundation promotes an environment where civility, respect and a community spirit are expected of all pupils. The Foundation recognises the following standards which have been developed in conjunction with pupils, parents and staff and are standards which all involved in the Foundation should aspire to:

M Moral integrity  
A Ambition  
R Respect  
K Kindness

The broad strategies of improving academic performance, achieving excellence in teaching and learning, increasing headcount and continuing to develop the Junior School as a stronger long term feeder unit for the Senior School remain unchanged. Both Schools strive to ensure that pupils attain their full academic potential, and provide an increasing extra curricular programme of activities, which are organised to develop the concepts of responsibility, leadership and service.

The charitable company continues to have a close relationship with the Chapter of Durham Cathedral, which is the charitable company's main landlord at both the Durham School and the Cathedral Site. The University of Durham is the landlord of the Bow Site. The charitable company owns the entire share capital of Durham School Trading Limited, which organises the letting of Foundation facilities.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities (continued)**

**Public Benefit**

The charitable company's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charitable company's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

Durham Cathedral Schools Foundation, as a registered charitable company, demonstrates its fulfilment of the Public Benefit criteria. Respect for others, with a charitable focus, is central to the Foundation's ethos, which enriches the life of the School's and provides opportunities for pupils of all ages to understand the importance of giving.

The areas of public benefit identified come under the headings:

1. Educating our own pupils, including scholarships and bursaries
2. Savings to the taxpayer
3. Community partnerships
4. Fundraising and charity events

**1. Educating our own pupils, including scholarships and bursaries**

Financial support to pupils is provided through means tested bursaries and scholarships for excellence.

In the financial year ended 31 August 2022 £762,510 was provided in means tested bursary support, and a further £497,320 in scholarship support for excellence by the Foundation. These amounts equated to 12.3% of fee income.

In addition to the support provided by the Foundation, financial support was also provided to Durham School pupils through The Burkitt Trust, which is administered by the School and specifically offers support to pupils achieving a high standard at GCSE level. In the year ended 31 August 2022 the Trust provided £29,994 of support.

In the 2016/17 year the Durham School developed a partnership arrangement with Castle View Enterprise Academy in Sunderland, through which substantial financial support was provided to 4 pupils to enable them to complete their A level studies at Durham School (3 in Year 13 and 1 in Year 12).

The Foundation continues to participate in 2 national schemes to provide financial support for pupils from overseas who would not otherwise have been able to access education in the UK, these were the HMC and ESU Schemes. Four pupils were supported through these schemes. The support provided by the Foundation amounted to £287,504.

The Trustees regularly review the policies associated with Scholarships and Bursaries to ensure that they support the target of widening access to the Schools. As a result of these reviews the emphasis on means testing of awards has and will continue to increase.

**2. Savings to the taxpayer**

In 2021/22, the Foundation educated 677 children at no cost to the state, saving the taxpayer almost £4 million annually, based on the published data for the cost of educating a child in the maintained sector. By providing an environment which is academic, residential, co educational and Anglican, the Foundation provides an environment not generally available in the maintained sector. There were 255 pupils in the Junior School, which based on published average funding levels for primary schools in the state sector equates to £1,275,000. In addition, 422 pupils were educated in the Senior School, which based on published average funding levels for secondary schools in the state sector equates to £2,448,000. In total therefore the saving to the tax payer is £3,723,000.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities (continued)**

**3. Community partnerships**

**Combined Cadet Force**

The School had, until the end of 2021/22, a thriving Combined Cadet Force, providing an excellent introduction for those pupils interested in a career in HM Armed Services. This offer weekly training activities and week-long training courses in partnership with the Army and Navy National CCF programme. An Outdoor Club is now offered which runs similar activities to CCF but the Armed Services partnership has stopped and there is now flexibility to broaden the scope of this club.

**Pentathlon GB**

The Foundation hosts the Pentathlon GB Academy, which provides regular training sessions, both short term and residential for budding pentathletes from the region. The Foundation provides facilities and some staffing for these activities at either cost or free of charge.

**Home Instead**

In conjunction with Home Instead the Foundation provides a venue in one of the boarding houses to host a memory cafe which supports those suffering from dementia and their carers.

**Facilities**

Facilities are shared with the community in a number of ways; the Foundation lets out facilities at either below market rates or for free on a regular basis including:

Grounds

- Durham City Cricket Club
- Durham City Rugby Club
- Durham City Hockey Club
- World Challenge
- Newcastle Falcons
- Durham County Cricket
- Durham & Chester-le-Street School Sport Partnership
- Netball England
- Brandon Cricket Club
- England Hockey

Swimming Pool

- Durham City Swimming Club
- The University of Durham
- The Chorister School
- St. Margaret's Primary School
- St. Michael's Primary School
- St. Oswald's Primary School

Teaching & Learning Space

- Ustinov College
- Northumbria University PGCE Training
- Home Instead
- Dyslexia North East Teachers Group
- NHS Blood Donation Centre
- Numerous local choirs

The School also provides access to its facilities through a number of holiday clubs where young people can take part in a range of sporting and leisure activities.

Community "learn to swim" lessons take place in the pool throughout the year, with a year long waiting list for sessions.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities (continued)**

**The Chapel**

The Chapel enjoys strong links with Durham Cathedral, and the Foundation shares both half-termly and end-of-term services with the Cathedral as well as occasional services such as Confirmation. The Foundation's Chapel is open to the public on Heritage Open Days, organised by English Heritage, with no entrance fee. These are staffed by alumni volunteers. Guests are also invited to tour the rest of the School site. These free tours are given by pupils and staff.

**Partnerships with the Maintained Sector**

Through the Foundation's various societies, we regularly invite pupils from the local maintained sector schools to participate in academic, cultural, or sporting enrichment activities at Durham School. These include:

- MedSoc;
- The Tristram Society [the Sciences];
- The Hillard Society [Classical & Modern Languages];
- Politics Society;
- University Entrance Examination Preparation;
- Durham School Boat Club.

Durham School runs an annual programme for maintained primary schools in the Durham City area; these schools include:

- St Margaret's Primary School, Durham
- Neville's Cross Primary School, Durham
- Shincliffe Primary School, Shincliffe

The Foundation has strong links with Castle View Enterprise Academy, Sunderland, initially the focus of the link was on the provision of financial support to enable Castle View Enterprise Academy Pupils to access sixth form provision at Durham School, including staff visits to promote the sharing of teaching and learning knowledge and practice.

The Foundation enjoys links with other schools through a swimming programme, in which pool use and coaching are offered at significantly reduced rates. In addition, the School provides lifeguard training through the RLSS Drowning Prevention at no cost to the same schools.

Schools which take advantage of this are St Oswald's, Durham, St Margaret's, Durham and St Michael's, Esh.

In addition, Durham School provides Saturday swimming lessons to the wider community with approximately 100 swimmers coming from local, maintained schools.

**4. Fundraising and charity events**

In line with its values of Moral Integrity, Ambition, Responsibility and Kindness, Durham School actively engages in a wide array of charitable work, both as a whole school, and in the individual houses. As well as benefiting many good causes, this work also helps to develop a sense of social responsibility in our pupils. Much of this work is coordinated by the School Charities Committee, which is chaired by the Chaplain.

This year the School has raised over £9,894 in support of the following charities: Children in Need, MacMillan Cancer Support, MIND and the Zambezi Sunrise Trust.

The Foundation regularly engages in voluntary and charitable work, including:

- a) The Great North Run, raising monies for a variety of charities [Cystic Fibrosis, the Rainbow Trust, Beating Bowel Cancer, Tommy's, and the Red Cross].
- b) Many pupils undertake community service through the Duke of Edinburgh Award scheme, which is a thriving extracurricular activity at the Schools.
- c) Our pupils participate in the World Challenge programme, which offers them the opportunity to take part in charitable projects overseas.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and activities (continued)**

**4. Fundraising and charity events (continued)**

d) Durham School has established particular links with the Zambezi Sunrise Trust, a charity which helps fund educational projects in Zambia. The School now hosts the Zambezi Sunrise Trust Annual Dinner each November, and undertakes other fundraising events throughout the year. In addition, our pupils regularly exchange letters with pupils in Zambia. In recognition of this support, a classroom at a ZST School in Zambia has been named "The Durham Room". This year, we have donated all of our old school uniform to the Zambezi Sunrise Trust who have distributed it across schools in Zambia.

**Achievements and performance**

**Charitable activities**

**a) Pupil Numbers**

Pupil numbers in 2021/22 were 422 pupils in Durham School and 255 at Chorister School. Pupil numbers in 2020/21 were 371 at Durham School and 147 at Bow School.

**b) Examination Results**

Academic performance within the school continues to be strong, with a 99% pass rate at A level (2021: 100%) and an A\* - B pass rate of 73.4% (2021: 83.7%) while at GCSE pass rates were: 7,8 and 9 52.9% (2021: 55.4%), 6 - 9 pass rate of 71.2% (2021: 75.5%), and 4 - 9 92.7% (2021: 99.1%). It should be noted that in 2021 and 2020 grades were determined by schools although the systems for doing so were different in each year. Academic performance continues to be a key focus for the Foundation.

**c) Other achievements**

Other achievements in 2021/22:

- Pupils were entered for 40 ABSRM music exams across a range of instruments with 13% Distinction, 30% Merit, 57% Pass and 0% Fail.
- Music competitions were held throughout the academic year. These included a House music competition, the Chadeyron music competition, a Senior house music competition and a Junior cabaret.
- 4 pupils achieved Duke of Edinburgh Gold award, 5 pupils achieved the Silver award and 22 the Bronze award.
- Sporting success continues to be achieved both at team and individual basis across a wide variety of sports.

**d) Developments**

The covid restrictions at the start of the academic year prevented work that might otherwise have been performed. The property stream of the merger, see future plans below, took up considerable time in the second half of the year, but has been extremely worthwhile.

**e) International Developments**

In 2012 Durham School entered into an agreement, through Durham School Trading Limited, with IKC Holdings Limited to form Durham Infinity International Schools, a joint venture company. The purpose of the joint venture company was to develop Schools carrying the Durham School brand and promoting the Durham School ethos in other parts of the world.

In 2017/18 a formal agreement was signed in relation to the opening of the first international school in Doha. Durham School for Girls Doha aims to inspire a lifelong appetite for learning in a caring environment that will develop emotional, moral and spiritual strength for future leaders. Durham School for Girls Doha opened in August 2019 with in excess of 400 pupils on the school roll in year groups from the Foundation Stage to year 6. In academic year 2020/21 year groups 7 and 9 were added and the roll increased to 950 pupils. In academic year 2021/22 year groups 8, 10 and 12 were added and the roll increased to 1197 with an expectation to increase to circa 1300 pupils in academic year 2022/23.

In 2020 a formal agreement was signed in relation to opening Durham International Nursery and Pre-Prep School Nairobi. The School was opened in January 2021 (academic year 2020/21) with 60 pupils across year groups Nursery, Foundation Stage 1 and 2. In academic year 2021/22, year group 2 was added and it is expected that the roll will increase to in the region of 150 pupils.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Achievements and performance (continued)**

**e) International Developments (continued)**

On 29th August 2022, Durham School Dubai opened in a new development within Dubai Investments Park with a site capacity of 1,700 pupils. Pupils on roll on opening were 89, with admissions expected to increase throughout 2022/23.

This venture will bring commercial, cultural and academic benefits to Durham School.

**Financial review**

**Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Reserves policy**

The policy of the Group is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in its infrastructure. As at 31 August 2022, the Group held fund balances of (£993,992) comprising (£2,947,494) unrestricted funds, £1,638,172 restricted funds and £315,330 endowment funds.

After making appropriate enquiries the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

**Financial position**

The consolidated results for the year show a deficit of £585,566 (2021: £518,768 deficit). The budgeted position for 2021/22 was initially a breakeven position.

The long-term development plan for the Foundation continues to be to achieve a balance between investment back to the Schools by way of highly skilled personnel and physical enhancements, and the maintaining of surplus to reinstate reserves for the charitable company.

During 2016/17 the Foundation worked with its Bankers, Barclays Bank plc, to restructure the loans and overdraft of the Foundation. The new arrangements came into effect on 1 September 2017, this generated a reduction in the costs of borrowing. The Foundation successfully managed cash balances over the course of 2021/22 in difficult circumstances within the agreed overdraft facility limit. The loan agreement was re-negotiated in Feb 2023.

The charitable company continues to purchase insurance for the Trustees during the year to indemnify them against liabilities arising from acts as part of their duties as Trustees of the charitable company.

Note 22 to the accounts sets out analysis of the assets attributable to the various funds. These assets are sufficient to meet the charitable company's obligations on a fund by fund basis.

**Investments policy**

The Foundation's tangible assets are all held for use in the Schools and the majority of the Foundation's investments are currently held in either the CBF Church of England Investment Fund or the COIF Charities Investment Fund. Both funds are invested primarily in equities and are aimed at achieving steady income and capital growth. Both funds have satisfactory long term performance records.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Principal risks and uncertainties**

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to identify and minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects coupled with the judicious use of cash reserves to deal with monthly fluctuations in cash flow.

**FUTURE PLANS**

The long term aim of the Trustees is to provide reserves for the charitable company. The long-term aim is being taken forward through the following initiatives.

**1. Fundraising**

The development of funds to support financially assisted places at the Schools and capital projects continues to be a core aim.

**2. International activities**

Through its trading subsidiary Durham School Trading Limited, the Foundation in December 2012, entered into a joint venture company, Durham Infinity International Schools, with an Indian company to develop schools carrying the Durham School brand in other parts of the world.

As noted above in August 2019, Durham School for Girls Doha opened and the expansion plans continue to be very successful. In August 2022, Durham School Dubai opened and recruitment of pupils continues to grow.

Work continues on the exploration of other options for the development of additional international schools.

**3. Merger of Durham School and The Chorister School to form Durham Cathedral Schools Foundation**

The Governing Body of Durham School and the Chapter of Durham Cathedral announced on 23rd November 2020 that, with effect from 1st September 2021, Durham School and The Chorister School will operate under one single Foundation to be known as Durham Cathedral Schools Foundation.

This merger has combined the strengths of both existing schools and build on the strong heritage and values they have shared for over 600 years. The merged school offers outstanding academic, pastoral and co-curricular opportunities for all pupils and further enhance the provision of independent education within the City of Durham. The merger has allowed the Foundation to grow and develop in its size and strength whilst continuing to provide a focus on the education of the individual, which celebrates the unique talents of every child, nurturing and bringing out the best in them.

The first year of operation of the new merged Foundation has gone well. The Foundation paid no rent in 21/22 and will pay reduced rent in 22/23 for The Chorister School buildings in recognition that works are required to the Cathedral Site.

New IT equipment was required to release The Chorister School from the Cathedral's network and GDPR regulations were followed in transferring data to the Foundation.

A re-branding exercise was carried out and a brand new website design was launched in Spring 2022. Integration of the two schools was key to engender a new single community spirit. A communications plan was followed to keep all stakeholders informed.

The Choristers of Durham Cathedral continue to be educated within the Foundation schools and their commitment to the Cathedral Choir is matched by a commitment from the Foundation to support them.

**4. Revaluation of freehold properties**

The freehold properties of the Foundation have not been re-valued since June 2015 and are still retained at the value then of £1.4m. A re-valuation exercise will take place in 2022/23.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management**

**Governing document**

The charitable company is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Durham Cathedral Schools Foundation was incorporated as a Company Limited by Guarantee on 4th January 1993. The charitable company has charitable status (Charity Number 1023407) and is governed by its Memorandum and Articles of Association (Company Number 02776914).

The Governors and Directors of Durham Cathedral Schools Foundation are also the Trustees of the charitable company. The Trustees nominate a new Trustee when a vacancy arises and the Trustees will then vote on whether or not to appoint. A Trustee offers him / herself for re election every three years. The chairman of the Trustees is re elected on an annual basis by the other Trustees. None of the Trustees receive any remuneration.

To fulfil the requirements of the Articles of Association the Board of Trustees, comprising up to fourteen members, meets each term to administer the charitable company. They appoint a Principal to manage the day to day operations of the charitable company.

There are also currently a number of Trustee led sub committees, which cover specific aspects of the business e.g. finance, estates, academic, marketing and health and safety. The sub committees involve officers of the charitable company as the Chairperson of that particular sub committee deemed to be appropriate. The sub committees also try to meet once each academic term.

New Trustees are reminded of their legal, and other, responsibilities and are provided with a thorough induction, which includes familiarisation in the layout, operations, staff and structure of the Schools in addition to financial, legal and safeguarding matters. Any subsequent training requirements that are brought to the attention of the Board of Trustees are seriously considered.

The Senior Management Team is as follows:

Principal & Headmaster - Durham School	K McLaughlin MA (Cantab)
Headmistress - Chorister School	S Harrod BA
Deputy Head (Academic)	A Pearson BSc
Chief Operating Officer	S Middleton
Company Secretary and Clerk to the Governors	E Mussell

The day to day running of the Schools is delegated to the Principal and Chief Operating Officer.

Any dealings between the charitable company and any Related Parties are disclosed in Note 30 to the Accounts.

**Pay policy for key management personnel**

The remuneration of the Principal is set by the Chair of Trustees alongside the Finance & General Purposes Committee. Senior Management salaries are set by the Principal and reviewed by the Finance & General Purposes committee. These are benchmarked using data provided by sector associations.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, governance and management (continued)**

**Risk management**

The Trustees have a duty to identify and review the risks to which the charitable company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board of Trustees is responsible for the management of the risks faced by the Foundation. During the year the Trustees have examined the principal areas of the Foundation's operations and considered the major risks associated with these areas. In the opinion of the Trustees the Foundation has established systems, which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day to day operations. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees continue to carefully monitor and review risk on a regular basis, and will ensure that systems and procedures are established to manage the risks. During the year high level risks were considered and agreed by the Trustees, these together with the supporting management controls are documented within the Foundation's risk register.

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Auditors**

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 30 May 2023 and signed on their behalf by:

A handwritten signature in blue ink, appearing to read 'R Ribchester', followed by a small dash.

**R Ribchester**  
(Chair of Trustees)

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**Opinion**

We have audited the financial statements of Durham Cathedral Schools Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**Material uncertainty related to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In the context of the above we draw attention to note 1.2 in the financial statements, which refers to the application of the going concern concept being applied in the preparation of the consolidated financial statements. As stated in note 1.2, these events and conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Group's or the Parent Charitable Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 course of 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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, 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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**Auditors' 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 Auditors' 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.

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 have undertaken the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, charity law, company law, health and safety law, food and hygiene regulations, taxation law, Independent Schools Regulator and GDPR.
- Enquiry of Trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of Trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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 located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION (CONTINUED)**

**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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Gary Ellis BA BFP FCA (Senior statutory auditor)**

for and on behalf of

**Clive Owen LLP**

Chartered Accountants

Statutory Auditors

Kepier House

Belmont Business Park

Durham

DH1 1TW

Date: *30 May 2023*

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income and endowments from:</b>						
Donations and legacies	3	-	275,000	184,472	459,472	129,824
Charitable activities	4	-	(73,911)	9,411,522	9,337,611	8,675,278
Other trading activities	5	-	-	209,154	209,154	126,234
Investments	6	8,458	15,341	372,180	395,979	291,355
<b>Total income and endowments</b>		<u>8,458</u>	<u>216,430</u>	<u>10,177,328</u>	<u>10,402,216</u>	<u>9,222,691</u>
<b>Expenditure on:</b>						
Raising funds	7	-	-	376,617	376,617	304,693
Charitable activities	8	-	-	10,572,287	10,572,287	9,289,755
Other expenditure	9	-	-	-	-	270,872
<b>Total expenditure</b>		<u>-</u>	<u>-</u>	<u>10,948,904</u>	<u>10,948,904</u>	<u>9,865,320</u>
<b>Net income/(expenditure) before net (losses)/gains on investments</b>						
		8,458	216,430	(771,576)	(546,688)	(642,629)
Net (losses)/gains on investments		(38,878)	-	-	(38,878)	123,861
<b>Net movement in funds</b>		<u>(30,420)</u>	<u>216,430</u>	<u>(771,576)</u>	<u>(585,566)</u>	<u>(518,768)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		345,750	1,421,742	(2,175,918)	(408,426)	110,342
Net movement in funds		(30,420)	216,430	(771,576)	(585,566)	(518,768)
<b>Total funds carried forward</b>		<u>315,330</u>	<u>1,638,172</u>	<u>(2,947,494)</u>	<u>(993,992)</u>	<u>(408,426)</u>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 20 to 42 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02776914**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	5,312,643	5,490,316
Investments	15	1,038,147	1,077,025
		6,350,790	6,567,341
<b>Current assets</b>			
Stocks	16	3,366	50,806
Debtors	17	1,387,565	1,532,993
Cash at bank and in hand		153,598	484,663
		1,544,529	2,068,462
Creditors: amounts falling due within one year	18	(4,850,635)	(4,739,240)
<b>Net current liabilities</b>		(3,306,106)	(2,670,778)
<b>Total assets less current liabilities</b>		3,044,684	3,896,563
Creditors: amounts falling due after more than one year	19	(4,038,676)	(4,304,989)
<b>Net liabilities excluding pension asset</b>		(993,992)	(408,426)
<b>Total net assets</b>		(993,992)	(408,426)
<b>Charity funds</b>			
Endowment funds	21	315,330	345,750
Restricted funds	21	1,638,172	1,421,742
Unrestricted funds	21	(2,947,494)	(2,175,918)
<b>Total funds</b>		(993,992)	(408,426)

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 30 May 2023 and signed on their behalf by:

R Ribchester

**R Ribchester**  
 (Chair of Trustees)

The notes on pages 20 to 42 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02776914**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	5,312,643	5,490,316
Investments	15	1,037,972	1,076,850
		6,350,615	6,567,166
<b>Current assets</b>			
Debtors	17	1,477,165	1,571,874
Cash at bank and in hand		5,187	478,751
		1,482,352	2,050,625
Creditors: amounts falling due within one year	18	(4,824,293)	(4,718,244)
<b>Net current liabilities</b>		(3,341,941)	(2,667,619)
<b>Total assets less current liabilities</b>		3,008,674	3,899,547
Creditors: amounts falling due after more than one year	19	(4,038,676)	(4,304,989)
<b>Net liabilities excluding pension asset</b>		(1,030,002)	(405,442)
<b>Total net assets</b>		(1,030,002)	(405,442)
<b>Charity funds</b>			
Endowment funds	21	315,330	345,750
Restricted funds	21	1,638,172	1,421,742
Unrestricted funds	21	(2,983,504)	(2,172,934)
<b>Total funds</b>		(1,030,002)	(405,442)

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 30 May 2023 and signed on their behalf by:



**R Ribchester**  
 (Chair of Trustees)

The notes on pages 20 to 42 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(228,148)	158,895
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	15,341	21,663
Proceeds from the sale of tangible fixed assets	-	5,000
Purchase of tangible fixed assets	(135,120)	(59,552)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(119,779)	(32,889)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(56,299)	35,522
New finance leases	-	22,537
Repayments of finance leases	(5,941)	(12,547)
Receipt of endowment	8,458	(833)
	<hr/>	<hr/>
<b>Net cash (used in)/provided by financing activities</b>	(53,782)	44,679
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	(401,709)	170,685
Cash and cash equivalents at the beginning of the year	484,663	313,978
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<u>82,954</u>	<u>484,663</u>

The notes on pages 20 to 42 form part of these financial statements

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies**

**1.1 Basis of preparation and consolidation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

There were no material departures from the standard.

Durham Cathedral Schools Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements are reported in £ sterling.

**1.2 Going concern**

The Group's charitable activities, together with factors likely to affect its future development and performance, are set out in the Trustee's Report.

The terms of financing facilities provided by Barclays plc to the group were renegotiated recently and expire in April 2024. Based on discussions between the parties it is not anticipated that these financing facilities will be withdrawn or indeed that the terms of new facilities will be less favourable than the existing ones.

The Trustees have assessed the cash requirements of the Group for the period of at least one year from the date of issue of the financial statements. Based on that – and subject to the renewal of the financing facilities and continued support of the bank – the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Given the factors above, along with continued losses, there is a material uncertainty over going concern. Nevertheless the Trustees believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements, taking the above factors/measures, and the continued support of the bank, into account.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.3 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Gross fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the school.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The freehold and leasehold properties were revalued prior to the FRS transition date. On the date of transition the group accepted the transitional relief to recognise the value of those assets as deemed cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- straight line over 50 years
Leasehold property	- straight line over 15 - 50 years
Motor vehicles	- straight line over 10 years
Fixtures and fittings	- straight line over 10 - 15 years
Computer equipment	- straight line over 5 years

No depreciation is provided on freehold land.

**1.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The Consolidated statement of financial activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within unrestricted funds.

**1.7 Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

**1.11 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.12 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.13 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group.

The interest element of these obligations is charged to the Balance Sheet over the relevant period. The capital element of the future payments is treated as a liability.

**1.14 Operating leases**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.15 Pensions**

The charitable company makes contributions to the Teachers Pension Scheme for academic staff and to a selective pension plan for non-academic staff. Contributions payable to the pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

**1.16 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Endowment funds represent the permanent funds of the School. All income generated by these funds is unrestricted and used to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Bad debt provision:

The school has included provisions for bad and doubtful debts. Debts considered to be bad are provided for in full. The total bad debt provision at 31 August 2022 is £505,867 (2021 : £396,938).

Deferred income:

Fees paid in advance are allocated to deferred income and released each term across the year to which the payment relates. Income is to be released evenly each term. The judgment lies around the release of the income across the deferral period and ensuring this income is recognised in the correct period.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Income from donations and legacies**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Donations</b>				
Capital donations	-	-	-	129,824
General donations	275,000	184,472	459,472	-
<b>Subtotal detailed disclosure</b>	<u>275,000</u>	<u>184,472</u>	<u>459,472</u>	<u>129,824</u>
	<u>275,000</u>	<u>184,472</u>	<u>459,472</u>	<u>129,824</u>
Total 2021	<u>-</u>	<u>129,824</u>	<u>129,824</u>	

**4. Income from charitable activities**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
School fees income	-	10,299,905	10,299,905	8,311,660
Bursaries, grants and allowances	(73,911)	(1,783,474)	(1,857,385)	(1,620,248)
Other ancillary fees	-	895,091	895,091	1,441,953
Government Income	-	-	-	541,913
	<u>(73,911)</u>	<u>9,411,522</u>	<u>9,337,611</u>	<u>8,675,278</u>
Total 2021	<u>-</u>	<u>8,675,278</u>	<u>8,675,278</u>	

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**5. Income from other trading activities**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Trading subsidiary income	209,154	209,154	126,234
Total 2021	126,234	126,234	

**6. Investment income**

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	8,458	15,341	372,180	395,979	291,355
Total 2021	6,127	21,663	263,565	291,355	

**7. Costs of raising funds**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Finance costs	223,098	223,098	192,200
Trading subsidiary expenditure	153,519	153,519	112,493
	376,617	376,617	304,693
Total 2021	304,693	304,693	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Educational charitable activities	-	-	10,522,916	10,522,916	9,228,079
Governance costs	-	-	49,371	49,371	61,676
	<u>-</u>	<u>-</u>	<u>10,572,287</u>	<u>10,572,287</u>	<u>9,289,755</u>
<b>Total 2021</b>	<u>6,960</u>	<u>90,214</u>	<u>9,192,581</u>	<u>9,289,755</u>	

**Summary by expenditure type**

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Educational charitable activities	6,547,377	312,793	3,662,746	10,522,916	9,228,079
Governance	-	-	49,371	49,371	61,676
	<u>6,547,377</u>	<u>312,793</u>	<u>3,712,117</u>	<u>10,572,287</u>	<u>9,289,755</u>
<b>Total 2021</b>	<u>6,161,080</u>	<u>297,200</u>	<u>2,831,475</u>	<u>9,289,755</u>	

**9. Other expenditure - Exceptional Items**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Exceptional item - merger costs	-	-	154,446
Exceptional item - merger costs wages and salaries	-	-	116,426
	<u>-</u>	<u>-</u>	<u>270,872</u>
<b>Total 2021</b>	<u>270,872</u>	<u>270,872</u>	

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**10. Analysis of expenditure by activities**

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational charitable activities	5,504,248	5,018,668	10,522,916	9,228,079
Governance	-	49,371	49,371	61,676
	<u>5,504,248</u>	<u>5,068,039</u>	<u>10,572,287</u>	<u>9,289,755</u>
Total 2021	<u>5,191,514</u>	<u>4,098,241</u>	<u>9,289,755</u>	

**Analysis of direct costs**

	Educational charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	5,096,053	5,096,053	4,722,688
Educational costs	376,114	376,114	347,960
Bursaries	-	-	97,174
Welfare	32,081	32,081	23,692
	<u>5,504,248</u>	<u>5,504,248</u>	<u>5,191,514</u>
Total 2021	<u>5,191,514</u>	<u>5,191,514</u>	

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**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Educational charitable activities 2022 £	Governance 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,451,324	-	1,451,324	1,438,392
Depreciation	312,793	-	312,793	297,200
Welfare	1,344,237	-	1,344,237	872,865
Support costs of schooling	622,398	-	622,398	710,252
Premises	1,287,916	-	1,287,916	717,856
Governance costs	-	49,371	49,371	61,676
	<u>5,018,668</u>	<u>49,371</u>	<u>5,068,039</u>	<u>4,098,241</u>
Total 2021	<u>4,036,565</u>	<u>61,676</u>	<u>4,098,241</u>	

**11. Net income/(expenditure)**

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	303,933	289,281
Depreciation - assets on finance lease	8,860	7,919
Auditors' remuneration - audit	18,560	18,560
Operating lease payments - land and buildings	158,635	238,065
Operating lease payments - other	13,261	13,239

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**12. Staff costs**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	5,234,402	4,876,495	5,167,594	4,799,374
Social security costs	500,298	464,187	500,298	464,187
Contribution to defined contribution pension schemes	812,677	936,824	812,677	936,824
	<u>6,547,377</u>	<u>6,277,506</u>	<u>6,480,569</u>	<u>6,200,385</u>

During the year, total redundancy and termination payments amounted to £20,000 (2021: £176,201).

The average number of persons employed by the Company during the year was as follows:

	Group 2022 No.	Group 2021 No.
Teaching staff	92	110
Non-teaching staff	88	43
	<u>180</u>	<u>153</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charitable company was £629,340 (2021: £635,647).

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

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**13. Trustees' remuneration and expenses (continued)**

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

**14. Tangible fixed assets**

**Group and Company**

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>							
At 1 September 2021	1,400,000	5,699,863	-	142,975	2,555,452	-	9,798,290
Additions	-	-	-	76,343	40,327	18,450	135,120
Disposals	-	-	-	(630)	-	-	(630)
Transfers between classes	-	(149,987)	149,987	-	(353,851)	353,851	-
At 31 August 2022	<u>1,400,000</u>	<u>5,549,876</u>	<u>149,987</u>	<u>218,688</u>	<u>2,241,928</u>	<u>372,301</u>	<u>9,932,780</u>
<b>Depreciation</b>							
At 1 September 2021	311,066	1,963,076	-	62,794	1,971,038	-	4,307,974
Charge for the year	29,624	133,215	-	19,324	87,165	43,465	312,793
On disposals	-	-	-	(630)	-	-	(630)
Transfers between classes	-	(149,987)	149,987	-	(252,516)	252,516	-
At 31 August 2022	<u>340,690</u>	<u>1,946,304</u>	<u>149,987</u>	<u>81,488</u>	<u>1,805,687</u>	<u>295,981</u>	<u>4,620,137</u>
<b>Net book value</b>							
At 31 August 2022	<u><u>1,059,310</u></u>	<u><u>3,603,572</u></u>	<u><u>-</u></u>	<u><u>137,200</u></u>	<u><u>436,241</u></u>	<u><u>76,320</u></u>	<u><u>5,312,643</u></u>
At 31 August 2021	<u><u>1,088,934</u></u>	<u><u>3,736,787</u></u>	<u><u>-</u></u>	<u><u>80,181</u></u>	<u><u>584,414</u></u>	<u><u>-</u></u>	<u><u>5,490,316</u></u>

The net book value of the fixed assets, included in the above and in the below, which are held under finance leases is £56,504 (2021: £65,364).

The land and buildings were revalued on 20 October 2010 by Sanderson Weatherall, Chartered Surveyors on an open market existing basis. A relief on transition to FRS 102 was taken and therefore this value is now used as the deemed cost.

The carrying amount under the cost model of the assets which were revalued would have been £3,950,990 (2021 - £4,083,490).

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**15. Fixed asset investments**

<b>Group</b>	Listed investments £	Unlisted investments £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	818,130	258,720	176	1,077,026
Revaluations	(38,879)	-	-	(38,879)
At 31 August 2022	<u>779,251</u>	<u>258,720</u>	<u>176</u>	<u>1,038,147</u>
<b>Company</b>	Listed investments £	Unlisted investments £	Investments in subsidiary companies £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	818,130	258,720	1	1,076,851
Revaluations	(38,879)	-	-	(38,879)
At 31 August 2022	<u>779,251</u>	<u>258,720</u>	<u>1</u>	<u>1,037,972</u>

**16. Stocks**

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	3,366	50,806

An impairment loss of £36,705 (2021 - £nil) was recognised as an expense in the Consolidated statement of financial activities during the year due to slow-moving and obsolete stock.

**17. Debtors**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due within one year</b>				
Trade debtors	1,183,503	1,255,820	1,050,222	1,212,532
Amounts owed by group undertakings	-	-	244,288	162,169
Other debtors	-	21,800	-	21,800
Prepayments and accrued income	204,062	255,373	182,655	175,373
	<u>1,387,565</u>	<u>1,532,993</u>	<u>1,477,165</u>	<u>1,571,874</u>

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**18. Creditors: Amounts falling due within one year**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank overdrafts	70,644	-	70,644	-
Bank loans	252,893	192,384	252,893	192,384
Trade creditors	582,761	357,037	568,112	344,933
Other taxation and social security	129,495	140,722	126,175	133,330
Obligations under finance lease and hire purchase contracts	8,724	12,354	8,724	12,354
Other creditors	1,344,678	1,254,364	1,337,805	1,254,364
Accruals and deferred income	2,461,440	2,782,379	2,459,940	2,780,879
	<u>4,850,635</u>	<u>4,739,240</u>	<u>4,824,293</u>	<u>4,718,244</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Deferred income at 1 September 2021</b>	2,780,879	715,990	2,780,879	715,990
Resources deferred during the year	2,337,176	2,732,777	2,337,176	2,732,777
Amounts released from previous periods	(2,799,199)	(667,888)	(2,799,199)	(667,888)
<b>Deferred income at 31 August 2022</b>	<u>2,318,856</u>	<u>2,780,879</u>	<u>2,318,856</u>	<u>2,780,879</u>

Income deferred in the period relates to fees received in advance.

**19. Creditors: Amounts falling due after more than one year**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	4,019,490	4,136,298	4,019,490	4,136,298
Net obligations under finance lease and hire purchase contracts	19,186	21,497	19,186	21,497
Accruals and deferred income	-	147,194	-	147,194
	<u>4,038,676</u>	<u>4,304,989</u>	<u>4,038,676</u>	<u>4,304,989</u>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**20. Secured debts**

	2022	2021
	£	£
Bank overdrafts	70,644	-
Bank loans	4,272,383	4,328,682
Finance leases and hire purchase contracts	27,910	33,851
	<u>4,370,937</u>	<u>4,362,533</u>

Bank loans and overdrafts are secured over the freehold property known as The Extension to No. 1 Pimlico, No. 2 Pimlico, No. 4 Pimlico, Toll Bar Cottage, Durham together with an additional legal charge over the leasehold property known as Durham School Area 1.

Finance leases and hire purchase contracts are secured over the assets to which they relate.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Fund	(6,245,044)	10,177,328	(10,948,904)	47,690	-	(6,968,930)
Revaluation reserve	4,069,126	-	-	(47,690)	-	4,021,436
	<u>(2,175,918)</u>	<u>10,177,328</u>	<u>(10,948,904)</u>	<u>-</u>	<u>-</u>	<u>(2,947,494)</u>
<b>Endowment funds</b>						
Davies Legacy	345,750	8,458	-	-	(38,878)	315,330
<b>Restricted funds</b>						
Trust Funds	519,015	3,341	-	-	-	522,356
The Peter E.I. Lee Scholarship Fund	902,727	(35,124)	-	-	-	867,603
The Catherine Cookson Charitable Trust	-	248,213	-	-	-	248,213
	<u>1,421,742</u>	<u>216,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,638,172</u>
<b>Total of funds</b>	<u><u>(408,426)</u></u>	<u><u>10,402,216</u></u>	<u><u>(10,948,904)</u></u>	<u><u>-</u></u>	<u><u>(38,878)</u></u>	<u><u>(993,992)</u></u>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Statement of funds (continued)**

The purpose of each fund is as follows:

**Unrestricted funds**

General Fund

These funds represent the unrestricted resources available for the general work of the charitable company and its subsidiaries.

**Restricted funds**

Trust Fund

Trust funds represent various funds transferred from the Dean and Chapter of Durham. The Dean and Chapter of Durham is still the appointed Trustee, although the funds are now in the custody of Durham School.

The Peter E.I. Lee Scholarship Fund

The Peter E.I. Lee Scholarship fund is to be used for the granting of scholarships under the name of "The Lee Scholarships" and is to be awarded to academically qualified students of whom fifty percent should be of the Chinese race or of Hong Kong Chinese ancestry and the remaining fifty percent to be awarded to similarly qualified candidates of any race or nationality.

The Catherine Cookson Charitable Trust

This money is to be utilised in support of the School's bursary campaign.

**Endowment funds**

Davies Legacy

The Davies Legacy was received from the Estate of the late Mr E W Davies. The income generated from the legacy is restricted to the use of educating children of Warrant and Non-commissioned Officers in HM Forces.

The transfer noted above is in respect of the additional depreciation charged on the assets at their revalued amounts in comparison to their historical cost values.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General Fund	(5,720,055)	9,194,901	(9,768,146)	48,256	-	(6,245,044)
Revaluation Reserve	4,117,382	-	-	(48,256)	-	4,069,126
	<u>(1,602,673)</u>	<u>9,194,901</u>	<u>(9,768,146)</u>	<u>-</u>	<u>-</u>	<u>(2,175,918)</u>
<b>Endowment funds</b>						
Davies Legacy	298,706	6,127	(6,960)	-	47,877	345,750
<b>Restricted funds</b>						
Trust Funds	443,031	9,663	(9,663)	-	75,984	519,015
The Peter E.I. Lee Scholarship Fund	971,278	12,000	(80,551)	-	-	902,727
	<u>1,414,309</u>	<u>21,663</u>	<u>(90,214)</u>	<u>-</u>	<u>75,984</u>	<u>1,421,742</u>
<b>Total of funds</b>	<u><u>110,342</u></u>	<u><u>9,222,691</u></u>	<u><u>(9,865,320)</u></u>	<u><u>-</u></u>	<u><u>123,861</u></u>	<u><u>(408,426)</u></u>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	5,312,643	5,312,643
Fixed asset investments	300,595	737,376	176	1,038,147
Current assets	14,735	900,796	628,998	1,544,529
Creditors due within one year	-	-	(4,850,635)	(4,850,635)
Creditors due in more than one year	-	-	(4,038,676)	(4,038,676)
<b>Total</b>	<u>315,330</u>	<u>1,638,172</u>	<u>(2,947,494)</u>	<u>(993,992)</u>

**Analysis of net assets between funds - prior year**

	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	5,490,316	5,490,316
Fixed asset investments	315,533	761,316	176	1,077,025
Current assets	30,217	660,426	1,377,819	2,068,462
Creditors due within one year	-	-	(4,739,240)	(4,739,240)
Creditors due in more than one year	-	-	(4,304,989)	(4,304,989)
<b>Total</b>	<u>345,750</u>	<u>1,421,742</u>	<u>(2,175,918)</u>	<u>(408,426)</u>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**23. Reconciliation of net movement in funds to net cash flow from operating activities**

	Group 2022 £	Group 2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(585,566)	(518,768)
<b>Adjustments for:</b>		
Depreciation charges	312,793	297,200
Gains/(losses) on investments	38,879	(123,861)
Dividends, interests and rents from investments	(15,341)	(21,663)
Loss/(profit) on the sale of fixed assets	-	(5,000)
Decrease in stocks	47,440	29,753
Decrease/(increase) in debtors	145,428	(769,029)
Increase/(decrease) in creditors	(163,323)	1,399,254
Capital donations	-	(129,824)
Income attributable to endowment	(8,458)	(6,127)
Expenditure attributable to endowment	-	6,960
<b>Net cash provided by/(used in) operating activities</b>	<b>(228,148)</b>	<b>158,895</b>

**24. Analysis of cash and cash equivalents**

	Group 2022 £	Group 2021 £
Cash in hand	(193)	341
Cash at bank	153,791	484,322
Overdraft facility repayable on demand	(70,644)	-
<b>Total cash and cash equivalents</b>	<b>82,954</b>	<b>484,663</b>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**25. Analysis of changes in net debt**

	At 1 September 2021	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	484,663	(331,065)	153,598
Bank overdrafts repayable on demand	-	(70,644)	(70,644)
Debt due within 1 year	(192,384)	(60,509)	(252,893)
Debt due after 1 year	(4,136,298)	116,808	(4,019,490)
Finance leases	(33,851)	5,941	(27,910)
	<u>(3,877,870)</u>	<u>(339,469)</u>	<u>(4,217,339)</u>

**26. Contingent liabilities**

Properties transferred from the Dean and Chapter of Durham.

On 1 January 1995 the properties of the School as part of the Dean and Chapter of Durham were transferred to the charitable company on a variety of freehold, long and short leasehold agreements. The agreements provide that in the event of the sale of certain of the properties leased by the charitable company, a proportion of the proceeds generated are due to the Dean and Chapter of Durham as Landlords. The total contingent liability would amount to £4,134,000 (2021: £4,134,000) based on valuations of market values of property of £6,890,000 at 20 October 2010. No revaluation has been performed since this date.

**27. Pension commitments**

Defined Contribution Scheme

The charitable company operates a defined contribution pension schemes for academic and non-academic staff. The assets of the schemes are held separately from those of the group in an independently administered fund.

Defined Benefit Schemes

Some of the charitable company's employees are members of the Teachers' Pension Scheme (England & Wales). This is a multi-employer defined benefit scheme for which the assets and liabilities attributable to the charitable company can not be identified and is treated as a defined contribution scheme under FRS 102.

Charitable company contributions charged to all of the charitable company's Schemes during the year amount to £812,677 (2021: £936,824). All contributions were paid during the year.

**Teacher's Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**27. Pension commitments (continued)**

**Valuation of the Teacher's Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The next valuation result is due to be implemented from 1 April 2023.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme

**28. Operating lease commitments**

At 31 August 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	313,896	246,658	313,896	246,658
Later than 1 year and not later than 5 years	1,429,645	818,072	1,429,645	818,072
Later than 5 years	4,177,542	2,043,746	4,177,542	2,043,746
	<u>5,921,083</u>	<u>3,108,476</u>	<u>5,921,083</u>	<u>3,108,476</u>

**29. Members' liability**

The charitable company is incorporated under the Companies Act and does not have a Share Capital and is Limited by Guarantee.

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**30. Related party transactions**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions with associated charitable companies:

During the year, the charitable company charged £4,000 (2021: £2,500) to cover secretarial and administration costs and received scholarships on behalf of pupils totalling £29,994 (2021: £37,300) from The Burkitt Scholarship Fund, which is a separately administered charitable company, in which the Headmaster, K McLaughlin, is a Trustee. As at 31 August 2022 the balance owed by the Burkitt Scholarship Fund was £7,027 (2021: £21,800).

During the year, the charitable company received no scholarships on behalf of pupils (2021: £22,448) from Durham School Langley Foundation, which is a separately administered charitable company, in which G Hodgson and R Ribchester are trustees. As at 31 August 2022 the balance owed to Durham School Langley Foundation was £26,748 (2021: £35,477).

Transactions with companies where a non-controlling interest is held:

During the year, dividend income of £12,000 (2021:£12,000) was received from Durham Markets Company Limited.

**31. Principal subsidiaries and joint ventures**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Class of shares</b>	<b>Holding</b>
Durham School Trading Limited	04175538	The Grove, Durham School, Quarryheads Lane, Durham, Co Durham, DH1 4SZ	Ordinary	100%

**Included in consolidation**

Yes

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Net assets £</b>
Durham School Trading Limited	581,334	581,334	(2,983)

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

England & Wales - Charity number 1023407

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# Accounts

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Registered number: 02776914  
Charity number: 1023407

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

Previously known as DURHAM SCHOOL

(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
**(A company limited by guarantee)**

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**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**

**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**Trustees**

R Ribchester, Chair  
G Hodgson  
N Turner  
M Regan  
J Robson  
Q Anstee  
R Swart  
S Dobson  
A Tremlett (appointed 1 February 2021)  
M Hampel  
K Fenwick (appointed 1 February 2021)  
K Richards (appointed 24 June 2021)  
K Ballantyne  
R Hillier (appointed 1 February 2021)

**Company registered number**

02776914

**Charity registered number**

1023407

**Registered office**

Chief Operating Officer's Office, Durham School, Durham, DH1 4SZ

**Company secretary**

E C Mussell

**Headmaster**

K J McLaughlin

**Independent auditors**

Clive Owen LLP, Statutory Auditors, Kepier House, Belmont Business Park, Durham, DH1 1TW

**Bankers**

Barclays Bank PLC, 6 Market Place, Durham, DH1 3NB

**Solicitors**

Swinburne Maddison LLP, Venture House, Aykley Heads Business Centre, Durham, DH1 5TS

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees, who are also directors of Durham Cathedral Schools Foundation, present their annual report together with the audited consolidated financial statements of the charitable company for the year ended 31 August 2021 and confirm they comply with the requirements of the Charities Act 2011, the charity's constitution and the Charities SORP (FRS 102).

**OBJECTIVES AND ACTIVITIES**

**Objective and aims**

The principal activity of the Foundation continues to be the provision of training and instruction of pupils, during the year ended 31 August 2021 at Durham School and Bow School on the basis of Church of England principles in spiritual, moral, mental and physical training.

Durham Cathedral Schools Foundation comprised Bow, Durham School (Nursery to Year 6) and Durham School (Year 7 to Year 13) during the year. It is a registered charity, and any and all surpluses are reinvested in education. The charitable purpose for which the Foundation exists is Education. In addition to this, the Foundation has a vital role to play in the Community, both local and further afield, being a boarding and day school.

During the year the Foundation was divided between two sites, within a short walking distance from each other. The education of Day pupils aged 3 to 11 took place in the Nursery, Pre-Prep and Prep departments at Bow, Durham School. The senior section at Durham School offered the choice of Day, Weekly Boarding and Full Boarding to pupils from the age of 11 to 18. Both Schools offered small classes and high-quality teaching and learning. The Foundation promotes an environment where civility, respect and a community spirit are expected of all pupils. The Foundation recognises the following standards which have been developed in conjunction with pupils, parents and staff and are standards which all involved in the Foundation should aspire to:

M - Moral integrity  
A - Ambition  
R - Respect  
K - Kindness

The broad strategies of improving academic performance, achieving excellence in teaching and learning, increasing headcount and continuing to develop the Junior School as a stronger long term feeder unit for the Senior School remain unchanged. Both Schools strive to ensure that pupils attain their full academic potential, and provide an increasing extra curricular programme of activities, which are organised to develop the concepts of responsibility, leadership and service.

**Public benefit**

The Foundation's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the Foundation's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to this guidance in deciding what activities the Foundation should undertake.

Durham Cathedral Schools Foundation, as a registered charitable company, demonstrates its fulfilment of the Public Benefit criteria. Respect for others, with a charitable focus, is central to the Foundation's ethos, which enriches the life of the Schools and provides opportunities for pupils of all ages to understand the importance of giving.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**OBJECTIVES AND ACTIVITIES (continued)**

The areas of public benefit identified come under the headings:

1. Educating our own pupils, including scholarships and bursaries
2. Savings to the taxpayer
3. Community partnerships
4. Fundraising and charity events

**1. Educating our own pupils, including scholarships and bursaries**

Financial support to pupils is provided through means tested bursaries and scholarships for excellence.

In the financial year ended 31 August 2021 £719,497 was provided in means tested bursary support, and a further £234,965 in scholarship support for excellence by the Foundation. These amounts equated to 12% of fee income.

In addition to the support provided by the Foundation, financial support was also provided to Durham School pupils through The Burkitt Scholarship Fund, which is administered by the School and specifically offers support to pupils achieving a high standard at GCSE level. In the year ended 31 August 2021 the Trust provided £42,200 of support.

In the 2016/17 year, Durham School developed a partnership arrangement with Castle View Enterprise Academy in Sunderland, through which substantial financial support was provided to 5 pupils to enable them to complete their A level studies at Durham School (2 in Year 13 and 3 in Year 12).

The Foundation continues to participate in 2 national schemes to provide financial support for pupils from overseas who would not otherwise have been able to access education in the UK, these were the HMC and ESU Schemes. Four pupils were supported through these schemes. The support provided by the Foundation amounted to £218,020.

The Trustees regularly review the policies associated with Scholarships and Bursaries to ensure that they support the target of widening access to the Schools. As a result of these reviews the emphasis on means testing of awards has and will continue to increase.

**2. Savings to the taxpayer**

In 2020/21, the Foundation educated 533 children at no cost to the state, saving the taxpayer almost £3 million annually, based on the published data for the cost of educating a child in the maintained sector. By providing an environment which is academic, residential, co educational and Anglican, the School provides an environment not generally available in the maintained sector. There were 156 pupils in the Junior School, which based on published average funding levels for primary schools in the state sector equates to £705,600. In addition, 377 pupils were educated in the Senior School, which based on published average funding levels for secondary schools in the state sector equates to £2,200,772. In total therefore the saving to the tax payer is £2,906,372.

**3. Community partnerships**

**Combined Cadet Force**

The Foundation has a thriving Combined Cadet Force, providing an excellent introduction for those pupils interested in a career in HM Armed Services. This offers weekly training activities and week-long training courses in partnership with the Army and Navy National CCF programme.

**Pentathlon GB**

The Foundation hosts the Pentathlon GB Academy, which provides regular training sessions, both short term and residential for budding pentathletes from the region. The Foundation provides facilities and some staffing for these activities at either cost or free of charge.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**OBJECTIVES AND ACTIVITIES (continued)**

**Home Instead**

In conjunction with Home Instead the Foundation provides a venue in one of the boarding houses to host a memory cafe which supports those suffering from dementia and their carers.

**Facilities**

Facilities are shared with the community in a number of ways; the Foundation lets out facilities at either below market rates or for free on a regular basis including:

- a) Durham City Cricket Club [the Budworth];
- b) Durham City Swimming Club [pool];
- c) Durham City Hockey Club [Astro Turf];
- d) The University of Durham [the Budworth & pool];
- e) The Chorister School [pool];
- f) St Margaret's School [pool];
- g) World Challenge [Grounds];
- h) The Braes of Derwent [Grounds, the pool, and Big School];
- i) Durham School is let, subject to covid restrictions, during 4 weeks of the summer holiday to an international language school with 24 children resident on site.
- j) From September 2017, the School volunteered its facilities to be used as a blood donation centre with the NHS Blood and Transport Service; and during the global pandemic, laser printed covid protection masks to support the NHS.

Some of these activities were restricted in the year as a result of covid precautions.

**The Chapel**

The Chapel enjoys strong links with Durham Cathedral, and the Foundation shares both half-termly and end-of-term services with the Cathedral as well as occasional services such as Confirmation. The Foundation's Chapel is open to the public on Heritage Open Days, organised by English Heritage, with no entrance fee.

**Partnerships with the Maintained Sector**

Through the Foundation's various societies, we regularly invite pupils from the local maintained sector schools to participate in academic, cultural, or sporting enrichment activities at Durham School. These include:

- MedSoc;
- The Tristram Society [the Sciences];
- The Hillard Society [Classical & Modern Languages];
- Politics Society;
- University Entrance Examination Preparation;
- Durham School Boat Club.

Durham School runs an annual programme for maintained primary schools in the Durham City area; these schools include:

- St Margaret's Primary School, Durham
- Neville's Cross Primary School, Durham
- Shincliffe Primary School, Shincliffe

The Foundation has strong links with Castle View Enterprise Academy, Sunderland, initially the focus of the link was on the provision of financial support to enable Castle View Enterprise Academy Pupils to access sixth form provision at Durham School, including staff visits to promote the sharing of teaching and learning knowledge and practice.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**OBJECTIVES AND ACTIVITIES (continued)**

The Foundation enjoys links with other schools through a swimming programme, in which pool use and coaching are offered at significantly reduced rates. In addition, the School provides lifeguard training through the RLSS Drowning Prevention at no cost to the same schools.

Schools which take advantage of this are St Oswald's, Durham, St Margaret's, Durham and St Michael's, Esh.

In addition, Durham School provides Saturday swimming lessons to the wider community with approximately 100 swimmers coming from local, maintained schools.

**4. Fundraising and charity events**

In line with its values of MARK, Durham School actively engages in a wide array of charitable work, both as a whole school, and in the individual houses. As well as benefiting many good causes, this work also helps to develop a sense of social responsibility in our pupils. Much of this work is coordinated by the School Charities Committee, which is chaired by the Chaplain.

This year, each house was encouraged to engage in house-based charity fundraising. Particular congratulations go to Poole House for raising over £5,000 for Mind through their "1.1 Challenge", School House for raising over £3,000 for Movember, and Macleod for organising a fantastic "virtual" pilgrimage to our sister school in Doha. The staff raised £1,000 for Macmillan Cancer Support and the Zambezi Sunrise Trust at the Sunderland City Runs and the "virtual" 2020 Great North Run.

The Foundation regularly engages in voluntary and charitable work, including:

- a) Many pupils undertake community service through the Duke of Edinburgh Award scheme, which is a thriving extracurricular activity at the Schools.
- b) Our pupils participate in the World Challenge programme, which offers them the opportunity to take part in charitable projects overseas.
- c) Durham School has established particular links with the Zambezi Sunrise Trust, a charity which helps fund educational projects in Zambia. The School now hosts the Zambezi Sunrise Trust Annual Dinner each November, and undertakes other fundraising events throughout the year. In addition, our pupils regularly exchange letters with pupils in Zambia. In recognition of this support, a classroom at a ZST School in Zambia has been named "The Durham Room".

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

**a) Pupil Numbers**

Pupil numbers in 2020/21 were 371 pupils in the Senior School and 147 at Bow School.

**b) Examination Results**

Academic performance within the school continues to be strong, with a 100% pass rate at A level (2020: 100%) and an A\* - B pass rate of 83.7% (2020: 80.5%) while at GCSE pass rates were: 7,8 and 9 55.4% (2020 48.6%), 6 - 9 pass rate of 75.5% (2020 72.8%), and 4 - 9 99.1% (2020 97%). It should be noted that in 2021 and 2020 grades were determined by schools although the systems for doing so were different in each year. Academic performance continues to be a key focus for the Foundation.

**c) Other achievements**

Other achievements in 2020/21:

- Pupils were entered for 40 ABRSM music exams across a range of instruments with 13% Distinction, 30% Merit, 57% Pass and 0% Fail.
- A small number of music competitions were held in the later part of the academic year, within the confines of the covid restrictions. These included a House e-music competition, 63 performances in the Chadeyron music competition, a Senior house music competition and a Junior cabaret.
- Despite the Covid restrictions 8 pupils achieved Duke of Edinburgh Silver award and 4 the Bronze award;
- Sporting success continues to be achieved both at team and individual basis across a wide variety of sports.

## DURHAM CATHEDRAL SCHOOLS FOUNDATION

Previously known as DURHAM SCHOOL

(A company limited by guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2021

#### ACHIEVEMENT AND PERFORMANCE (continued)

##### d) Developments

The covid restrictions at the start of the academic year prevented work that might otherwise have been performed. The property stream of the merger, see future plans below, took up considerable time in the second half of the year, but has been extremely worthwhile.

##### e) International Developments

In 2012 Durham School entered into an agreement, through Durham School Trading Limited, with IKC Holdings Limited to form Durham Infinity International Schools, a joint venture company. The purpose of the joint venture company was to develop Schools carrying the Durham School brand and promoting the Durham School ethos in other parts of the world.

In 2017/18 a formal agreement was signed in relation to the opening of the first international school in Doha. Durham School for Girls Doha aims to inspire a lifelong appetite for learning in a caring environment that will develop emotional, moral and spiritual strength for future leaders. Durham School for Girls Doha opened in August 2019 with in excess of 400 pupils on the school roll in year groups from the Foundation Stage to year 6. In academic year 2020/21 year groups 7 and 9 were added and the roll increased to 950 pupils. In academic year 2021/22 year groups 8, 10 and 12 were added and the roll increased to 1197 with an expectation to increase to circa 1300 pupils in academic year 2022/23.

In 2020 a formal agreement was signed in relation to opening Durham International Nursery and Pre-Prep School Nairobi. The School was opened in January 2021 (academic year 2020/21) with 60 pupils across year groups Nursery, Foundation Stage 1 and 2. In academic year 2021/22 year group 2 will be added and it is expected that the roll will increase to in the region of 150 pupils.

This venture will bring commercial, cultural and academic benefits to Durham School.

#### FINANCIAL REVIEW

##### Financial position

The consolidated results for the year show a deficit of £518,768 (2020: £367,450 deficit). The budgeted position for 2020/21 was initially a breakeven position.

In common with other businesses the Covid19 pandemic has continued to have a significant impact on the results for 2020/21. Boarding pupils have not returned which has seen a reduction in tuition income of over £400k and fee reductions were applied during the compulsory school closure in the Spring term costing £280k. Other income arising from hire of the facilities has likewise reduced by some £273k. The losses have been mitigated to some extent by furlough claims and a reduction in catering costs when staff were furloughed.

In overall terms the impact of the pandemic on the financial results for 2020/21 has been assessed as a loss of £314k.

The long-term development plan for the Foundation continues to be to achieve a balance between investment back to the Schools by way of highly skilled personnel and physical enhancements, and the maintaining of surplus to reinstate reserves for the Foundation.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**FINANCIAL REVIEW (continued)**

During 2016/17 the Foundation worked with its Bankers, Barclays Bank plc, to restructure the loans and overdraft of the Foundation. The new arrangements came into effect on 1 September 2017, this generated a reduction in the costs of borrowing. The Foundation successfully managed cash balances over the course of 2020/21 in difficult circumstances within the agreed overdraft facility limit. The loan agreement has been re-negotiated during 2020/21.

The Foundation continues to purchase insurance for the Trustees during the year to indemnify them against liabilities arising from acts as part of their duties as Trustees of the Foundation.

Note 21 to the accounts sets out analysis of the assets attributable to the various funds. These assets are sufficient to meet the Foundation's obligations on a fund by fund basis.

The Foundation's tangible assets are all held for use in the Schools and the majority of the Foundation's investments are currently held in either the CBF Church of England Investment Fund or the COIF Charities Investment Fund. Both funds are invested primarily in equities and are aimed at achieving steady income and capital growth. Both funds have satisfactory long term performance records.

During the year ended 31 August 2021 Total Swimming Ltd funded expenditure of up to £80,000 to refurbish the changing rooms in the swimming baths. This sum is recognised as a donation in the financial statements.

**RESERVES POLICY**

The Trustees regularly review the finances, budgets, cashflows and expenditure against budget. The Foundation holds negative reserves of £(408,426) as at 31 August 2021 of which £1,421,742 relates to restricted funds, £345,750 to endowment funds and unrestricted reserves of £(2,175,918).

The Trustees recognise that the current level of reserves requires improvement and have taken steps as noted within future plans to improve the position.

The long term aim of the Trustees is to provide reserves for the Foundation

**FUTURE PLANS**

The long-term aim of increasing reserves is being taken forward through the following initiatives:

**1. Fundraising**

The development of funds to support financially assisted places at the Schools and capital projects continues to be a core aim.

**2. International activities**

Through its trading subsidiary Durham School Trading Limited, the Foundation in December 2012, entered into a joint venture company, Durham Infinity International Schools, with an Indian company to develop schools carrying the Durham School brand in other parts of the world.

As noted above in August 2019 Durham School for Girls Doha opened and the first two years of operation have been very successful with plans to expand further.

Work continues on the exploration of other options for the development of additional international schools.

**3. Merger of Durham School and The Chorister School to form Durham Cathedral Schools Foundation**

The Governing Body of Durham School and the Chapter of Durham Cathedral announced on 23rd November 2020 that, with effect from 1st September 2021, Durham School and The Chorister School will operate under one single Foundation to be known as Durham Cathedral Schools Foundation.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**FUTURE PLANS (continued)**

This planned merger will combine the strengths of both existing schools and build on the strong heritage and values they have shared for over 600 years. The merged school will offer outstanding academic, pastoral and co-curricular opportunities for all pupils and further enhance the provision of independent education within the City of Durham. The merger will allow the Foundation to grow and develop in its size and strength whilst continuing to provide a focus on the education of the individual, which celebrates the unique talents of every child, nurturing and bringing out the best in them.

For the six months up to 31 August 2021 considerable work was undertaken to ensure that all would be ready for the new merged Foundation. There were five workstreams: Property, IT and data, Marketing and communications, School integration and Finance and HR.

Durham Cathedral have committed to spend over £2m on what was previously The Chorister School building, now the Cathedral Site, over a number of years using an endowment fund designated for that specific purpose. The first phase of works were performed over summer 2021 ready for occupation on 1st September. The Foundation is to pay no rent in 21/22 and reduced rent in 22/23 in recognition that works are required.

New IT provision was required to release The Chorister School from the Cathedral's network and GDPR regulations were followed in transferring data to the Foundation.

A re-branding exercise was carried out and a temporary new website has been compiled with plans for a brand new website design to be launched in spring 2022. Integration of the two schools was key to engender a new single community spirit, but ideas and plans were severely hampered by social distancing and bubble restrictions in place. A communications plan was followed to keep all stakeholders informed.

Finance and HR matters needed to be resolved e.g. the transfer of supplier contracts ready for 1 September and employees moved across to the Foundation under TUPE arrangements from 1 February. There was a staff restructuring exercise and 15 staff were made redundant, 12 of whom chose to leave voluntarily. During the period 1 February to 31 August 2021, 45 staff at The Chorister School were paid through Durham School's payroll and the staff costs recharged to Durham Cathedral. The total costs over the period were £850,406.

The costs incurred relating to the merger total £270,872 and are disclosed as an exceptional item. Some costs relating to the merger will arise in the year 21/22 also.

The Foundation is located on the current sites of both schools. The junior school is now called Chorister School with the Pre-prep School occupying the Bow site and the Prep School occupying what was The Chorister School, but is now called the Cathedral Site. The Senior School, the Durham School site, continues as before.

The Durham Cathedral Schools Foundation is governed by a Board which comprises Governors from both Durham School and The Chorister School, including members of the Chapter of Durham Cathedral. The Chair of Governors is Robert Ribchester, previously Chair of Durham School, and the Vice-Chair is the Very Reverend Andrew Tremlett, Dean of Durham.

The Principal of the Foundation is Kieran McLaughlin, who continues as the Headmaster of the Senior School. The Head of the Prep School is Sally Harrod, previously Headmistress of Bow School.

The Choristers of Durham Cathedral continue to be educated within the Foundation schools and their commitment to the Cathedral Choir is matched by a commitment from the Foundation to support them.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**FUTURE PLANS (continued)**

£50,000 has been added to fixed assets to recognise the value of the fixtures, fittings and equipment that remained in The Chorister School and were effectively donated to the new Foundation over the summer and were set up accordingly in preparation for the new academic year.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Foundation is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Durham School was incorporated as a Company Limited by Guarantee on 4th January 1993. The Foundation has charitable status (Charity Number 1023407) and is governed by its Memorandum and Articles of Association (Company Number 02776914).

The Governors and Directors of Durham Cathedral Schools Foundation are also the Trustees of the Foundation. The Trustees nominate a new Trustee when a vacancy arises and the Trustees will then vote on whether or not to appoint. A Trustee offers him / herself for re election every three years. The chairman of the Trustees is re elected on an annual basis by the other Trustees. None of the Trustees receive any remuneration.

To fulfil the requirements of the Articles of Association the Board of Trustees, comprising up to fourteen members, meets each term to administer the Foundation. They appoint a Headmaster to manage the day to day operations of the Foundation.

There are also currently a number of Trustee-led sub committees, which cover specific aspects of the business e.g. finance, estates, academic, marketing and health and safety. The sub committees involve officers of the Foundation as the Chairperson of that particular sub committee deemed to be appropriate. The sub committees also try to meet once each academic term.

New Trustees are reminded of their legal, and other, responsibilities and are provided with a thorough induction, which includes familiarisation in the layout, operations, staff and structure of the Schools in addition to financial, legal and safeguarding matters. Any subsequent training requirements that are brought to the attention of the Board of Trustees are seriously considered.

Headmaster - Durham School - K McLaughlin MA (Cantab)  
Headmistress - Bow, Durham School - S Harrod BA  
Deputy Head (Academic) - A Pearson BSc  
Chief Operating Officer - C Butcher  
Company Secretary and Clerk to the Governors - E Mussell

The day to day running of the Schools is delegated to the Headmaster and Chief Operating Officer.

Any dealings between the Foundation and any Related Parties are disclosed in Note 28 to the Accounts.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Risk management**

The Trustees have a duty to identify and review the risks to which the Foundation is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board of Trustees is responsible for the management of the risks faced by the Foundation. During the year the Trustees have examined the principal areas of the Foundation's operations and considered the major risks associated with these areas. In the opinion of the Trustees the Foundation has established systems, which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day to day operations. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees continue to carefully monitor and review risk on a regular basis, and will ensure that systems and procedures are established to manage the risks. During the year high level risks were considered and agreed by the Trustees, these together with the supporting management controls are documented within the Foundation's risk register.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the directors of Durham Cathedral Schools Foundation (Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Foundation's auditors are unaware; and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.



.....  
**R Ribchester**  
Trustee  
18 March 2022

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**OPINION**

We have audited the financial statements of Durham Cathedral Schools Foundation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 set out on pages 15 to 41. 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 of the parent charitable company's affairs as at 31 August 2021 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 and the Charities Act 2011.

**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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**MATERIAL UNCERTAINTY RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In the context of the above we draw attention to note 1.3 in the financial statements, which refers to the application of the going concern concept being applied in the preparation of the consolidated financial statements. As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3 indicate that a material uncertainty exists that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**AUDITORS' 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 Auditors' 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.

**Detecting irregularities, including fraud, through our audit**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be regulations set out by The Department for Skills and Education, Independent Schools Inspectorate and Employment Law
- Enquiry of Trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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.

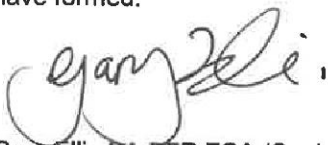
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gary Ellis BA BFP FCA (Senior statutory auditor)

for and on behalf of

**Clive Owen LLP**

Chartered Accountants

Statutory Auditors  
Kepier House  
Belmont Business Park  
Durham  
DH1 1TW  
Date:

*8 April 2022*

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	2	129,824	-	-	129,824	-
Charitable activities	3	8,675,278	-	-	8,675,278	7,585,342
Other trading activities	4	126,234	-	-	126,234	119,332
Investments	5	263,565	21,663	6,127	291,355	176,624
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>9,194,901</b>	<b>21,663</b>	<b>6,127</b>	<b>9,222,691</b>	<b>7,881,298</b>
<b>EXPENDITURE ON:</b>						
Raising funds		304,693	-	-	304,693	209,462
Charitable activities		9,192,581	90,214	6,960	9,289,755	8,060,573
Exceptional	13	270,872	-	-	270,872	-
<b>TOTAL EXPENDITURE</b>	6	<b>9,768,146</b>	<b>90,214</b>	<b>6,960</b>	<b>9,865,320</b>	<b>8,270,035</b>
<b>NET EXPENDITURE BEFORE INVESTMENT GAINS</b>						
Net gains on investments	15	(573,245)	(68,551)	(833)	(642,629)	(388,737)
		-	75,984	47,877	123,861	21,287
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(573,245)	7,433	47,044	(518,768)	(367,450)
<b>NET MOVEMENT IN FUNDS</b>						
		(573,245)	7,433	47,044	(518,768)	(367,450)
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(1,602,673)	1,414,309	298,706	110,342	477,792
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(2,175,918)</b>	<b>1,421,742</b>	<b>345,750</b>	<b>(408,426)</b>	<b>110,342</b>

The notes on pages 19 to 41 form part of these financial statements.

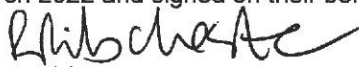
**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**REGISTERED NUMBER: 02776914**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	14		5,490,316		5,598,140
Investments	15		1,076,850		952,989
Investments in joint ventures					
-Share of gross assets		175		175	
Share of net assets	15		175		175
			6,567,341		6,551,304
<b>CURRENT ASSETS</b>					
Stocks	16	50,806		80,559	
Debtors	17	1,532,993		763,964	
Cash at bank and in hand		484,663		313,978	
			2,068,462	1,158,501	
<b>CREDITORS:</b> amounts falling due within one year	18	(4,739,240)		(3,398,942)	
<b>NET CURRENT LIABILITIES</b>			(2,670,778)		(2,240,441)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,896,563		4,310,863
<b>CREDITORS:</b> amounts falling due after more than one year	19		(4,304,989)		(4,200,521)
<b>NET (LIABILITIES)/ASSETS</b>			(408,426)		110,342
<b>CHARITY FUNDS</b>					
Endowment funds	20		345,750		298,706
Restricted funds	20		1,421,742		1,414,309
Unrestricted funds	20		(2,175,918)		(1,602,673)
<b>TOTAL (DEFICIT)/FUNDS</b>			(408,426)		110,342

The financial statements were approved and authorised for issue by the Trustees on March 2022 and signed on their behalf, by:

  
 .....  
**R Ribchester**

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The notes on pages 19 to 41 form part of these financial statements.

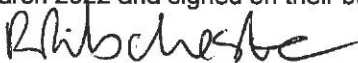
**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
Previously known as DURHAM SCHOOL

(A company limited by guarantee)  
REGISTERED NUMBER: 02776914

**COMPANY BALANCE SHEET**  
AS AT 31 AUGUST 2021

	Note	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	14		5,490,316		5,598,140
Investments	15		1,076,850		952,989
			<u>6,567,166</u>		<u>6,551,129</u>
<b>CURRENT ASSETS</b>					
Debtors	17	1,571,874		860,067	
Cash at bank and in hand		478,751		312,450	
		<u>2,050,625</u>		<u>1,172,517</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(4,718,244)</u>		<u>(3,374,342)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,667,619)</u>		<u>(2,201,825)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,899,547</u>		<u>4,349,304</u>
<b>CREDITORS: amounts falling due after more than one year</b>	19		<u>(4,304,989)</u>		<u>(4,200,521)</u>
<b>NET (LIABILITIES)/ASSETS</b>			<u>(405,442)</u>		<u>148,783</u>
<b>CHARITY FUNDS</b>					
Endowment funds			345,750		298,706
Restricted funds			1,421,742		1,414,309
Unrestricted funds			<u>(2,172,934)</u>		<u>(1,564,232)</u>
<b>TOTAL (DEFICIT)/FUNDS</b>			<u>(405,442)</u>		<u>148,783</u>

The financial statements were approved and authorised for issue by the Trustees on March 2022 and signed on their behalf, by:

  
.....  
R Ribchester

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The notes on pages 19 to 41 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	158,895	200,428
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		21,663	38,412
Proceeds from the sale of tangible fixed assets		5,000	-
Purchase of tangible fixed assets		(59,552)	(26,627)
<b>Net cash (used in)/provided by investing activities</b>		<u>(32,889)</u>	<u>11,785</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(12,547)	(199,729)
Cash inflows from new borrowing		58,059	-
Receipt of endowment		(833)	(424)
<b>Net cash provided by/(used in) financing activities</b>		<u>44,679</u>	<u>(200,153)</u>
<b>Change in cash and cash equivalents in the year</b>		170,685	12,060
Cash and cash equivalents brought forward		313,978	301,918
<b>Cash and cash equivalents carried forward</b>	23	<u>484,663</u>	<u>313,978</u>

The notes on pages 19 to 41 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), (Charities SORP (FRS 102)) and the Companies Act 2006.

Durham Cathedral Schools Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking Durham School Trading Limited. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.3 Going concern**

The Group's charitable activities, together with factors likely to affect its future development and performance, are set out in the Trustee's Report on pages 2 - 10.

The terms of financing facilities provided by Barclays plc to the group were renegotiated during the year and expire in October 2022. Based on discussions between the parties it is not anticipated that these financing facilities will be withdrawn or indeed that the terms of new facilities will be less favourable than the existing ones.

The Trustees have assessed the cash requirements of the Group for the period of at least one year from the date of issue of the financial statements. Based on that – and subject to the renewal of the financing facilities and continued support of the bank – the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

At the date of approval of the financial statements the country and indeed the rest of the world is still dealing with the Covid19 pandemic. The Group has taken steps to deal with the financial impact of this as far as can currently be estimated, including the preparation of revised forecasts , and other measures, including seeking financial support from the Government where appropriate. Clearly an uncertainty exists as to the precise impact - financial or otherwise - that the pandemic will have and the period over which it will last.

Given the factors above, along with continued losses, there is a material uncertainty over going concern. Nevertheless the Trustees believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements, taking the above factors/measures, and the continued support of the bank, into account.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Gross fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the school.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.5 Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of Durham Cathedral Schools Foundation and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Freehold land and buildings and long-term leasehold land and buildings are included at the valuations applicable at 20 October 2010 at which time the interests in the properties were transferred to the limited company (see also note 14). All other assets are included at cost.

The cost of acquiring new freehold land and buildings and other major assets, together with extensions to existing buildings, and major assets acquired by way of gift are valued and capitalised.

All acquisition costs of vehicles, plant and machinery and major fixtures and fittings are capitalised, but general costs of refurbishment and converting existing buildings and plant are written off in the year in which they are incurred.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	straight line over 50 years
Leasehold property	-	straight line over 20 - 50 years
Motor vehicles	-	straight line over 10 years
Fixtures and fittings	-	straight line over 4 - 25 years

**1.8 Investments**

Listed investments are stated at fair value at the balance sheet date. The fair value of unlisted investments cannot be measured reliably, and therefore stated at cost less impairment.

Investments in joint ventures are stated at the company's share of net assets.

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.15 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.16 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.17 Government grants**

Revenue based government grants are credited to the Statement of financial activities on receipt.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. ACCOUNTING POLICIES (continued)**

**1.18 Pensions**

The charitable company makes contributions to the Teachers Pension Scheme for academic staff and to a selective pension plan for non-academic staff. Contributions payable to the pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

**1.19 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**1.20 Critical accounting estimates and areas of judgement**

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Bad debt provision:

The school has included provisions for bad and doubtful debts. Debts considered to be bad are provided for in full, while debts considered to be doubtful have a provision of 25% of the balance included. The total bad debt provision at 31 August 2021 is £396,938 (2020 : £255,167).

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charged during the year was £297,200 (2020 : £298,706).

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. ACCOUNTING POLICIES (continued)**

**1.21 Redundancy and termination payments**

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Foundation is demonstrably committed to either: terminate the employment of an employee or group of employees before normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Foundation is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Capital donations	129,824	-	-	129,824	-

Capital donations includes £50,000 of tangible fixed assets transferred on the merger with The Chorister School, further detail is given in the Trustees Report and note 13.

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
School fee income	8,311,660	-	-	8,311,660	8,433,504
Bursaries, grants and allowances	(1,620,248)	-	-	(1,620,248)	(1,698,558)
Other ancillary fees	1,441,953	-	-	1,441,953	273,207
Government income	541,913	-	-	541,913	577,189
	<u>8,675,278</u>	<u>-</u>	<u>-</u>	<u>8,675,278</u>	<u>7,585,342</u>
Total 2020	<u>7,585,342</u>	<u>-</u>	<u>-</u>	<u>7,585,342</u>	

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**4. FUNDRAISING INCOME**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Trading turnover	126,234	-	-	126,234	119,332
Total 2020	119,332	-	-	119,332	

**5. INVESTMENT INCOME**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from investments	263,565	21,663	6,127	291,355	176,438
Bank interest received	-	-	-	-	186
	263,565	21,663	6,127	291,355	176,624
Total 2020	130,186	38,412	8,026	176,624	

**6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Trading expenditure	-	-	112,493	112,493	78,423
Finance costs	-	-	192,200	192,200	131,039
<b>Costs of raising funds</b>	-	-	304,693	304,693	209,462
Educational charitable activities	6,161,080	297,200	2,769,799	9,228,079	8,023,903
Governance costs	-	-	61,676	61,676	36,670
Exceptional - note 13	116,426	-	154,446	270,872	-
	6,277,506	297,200	3,290,614	9,865,320	8,270,035
Total 2020	5,203,293	298,710	2,768,032	8,270,035	

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**7. DIRECT COSTS**

	Educational activities £	Total 2021 £	Total 2020 £
Educational costs	347,960	347,960	328,629
Bursaries	97,174	97,174	80,362
Welfare	23,692	23,692	30,990
Wages and salaries	3,321,677	3,321,677	2,983,107
National insurance	464,187	464,187	388,213
Pension cost	936,824	936,824	715,770
	<u>5,191,514</u>	<u>5,191,514</u>	<u>4,527,071</u>
Total 2020	<u>4,527,071</u>	<u>4,527,071</u>	

**8. SUPPORT COSTS**

	Educational activities £	Total 2021 £	Total 2020 £
Welfare	872,865	872,865	529,762
Support costs of schooling	710,252	710,252	604,047
Premises	717,856	717,856	948,110
Wages and salaries	1,438,392	1,438,392	1,116,203
Depreciation	297,200	297,200	298,710
	<u>4,036,565</u>	<u>4,036,565</u>	<u>3,496,832</u>
Total 2020	<u>3,496,832</u>	<u>3,496,832</u>	

**9. GOVERNANCE COSTS**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditors' remuneration	18,560	-	-	18,560	18,000
Legal and professional costs	43,116	-	-	43,116	18,670
	<u>61,676</u>	<u>-</u>	<u>-</u>	<u>61,676</u>	<u>36,670</u>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	289,281	292,974
- held under finance leases	7,919	5,733
Auditors' remuneration - audit	18,560	18,000
Operating lease rentals - land and buildings	238,065	235,815
Operating lease rentals - other	13,239	15,068
	287,064	277,590

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2020 - £NIL).

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**11. STAFF COSTS**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	4,876,495	4,099,310
Social security costs	464,187	388,213
Other pension costs	936,824	715,770
	6,277,506	5,203,293
	6,277,506	5,203,293

During the year, total redundancy and termination payments amounted to £176,201 (2020: £nil).

The average number of persons employed by the company during the year was as follows:

	2021 No.	2020 No.
Teaching staff	110	72
Non-teaching staff	43	45
	153	117
	153	117

The number of higher paid employees was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	0	2
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	1
In the band £100,001 - £200,000	1	1

Of these employees, all six are members of the Teachers Pension Scheme.

The total amount of employee remuneration (including employer national insurance and pension contributions) received by key management personnel for their services to the charitable company was £635,647 (2020 : £592,203).

**12. INTEREST PAYABLE**

	2021 £	2020 £
On bank loans and overdrafts	156,153	107,890
On finance lease and hire purchase contracts	8,446	3,090
	164,599	110,980
	164,599	110,980

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**13. EXCEPTIONAL ITEMS**

	2021 £	2020 £
Exceptional item	270,872	-

As noted within the Trustees Report (page 7, point 3), the Foundation incurred costs in relation to the merger, this included the payment of staff salaries, including severance.

The Foundation also received a donation of tangible fixed assets of £50,000 which is included within Note 2 of these accounts.

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 September 2020	1,400,000	5,699,863	133,543	2,395,217	9,628,623
Additions	-	-	29,141	160,235	189,376
Disposals	-	-	(19,709)	-	(19,709)
At 31 August 2021	1,400,000	5,699,863	142,975	2,555,452	9,798,290
<b>Depreciation</b>					
At 1 September 2020	281,442	1,825,651	73,152	1,850,238	4,030,483
Charge for the year	29,624	137,425	9,351	120,800	297,200
On disposals	-	-	(19,709)	-	(19,709)
At 31 August 2021	311,066	1,963,076	62,794	1,971,038	4,307,974
<b>Net book value</b>					
At 31 August 2021	1,088,934	3,736,787	80,181	584,414	5,490,316
At 31 August 2020	1,118,558	3,874,212	60,391	544,979	5,598,140

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
<b>Group</b>		
Motor vehicles	65,364	44,143

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

<b>Company</b>	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 September 2020	1,400,000	5,699,863	133,543	2,383,210	9,616,616
Additions	-	-	29,141	160,235	189,376
Disposals	-	-	(19,709)	-	(19,709)
At 31 August 2021	<u>1,400,000</u>	<u>5,699,863</u>	<u>142,975</u>	<u>2,543,445</u>	<u>9,786,283</u>
<b>Depreciation</b>					
At 1 September 2020	281,442	1,825,651	73,152	1,838,231	4,018,476
Charge for the year	29,624	137,425	9,351	120,800	297,200
On disposals	-	-	(19,709)	-	(19,709)
At 31 August 2021	<u>311,066</u>	<u>1,963,076</u>	<u>62,794</u>	<u>1,959,031</u>	<u>4,295,967</u>
<b>Net book value</b>					
At 31 August 2021	<u>1,088,934</u>	<u>3,736,787</u>	<u>80,181</u>	<u>584,414</u>	<u>5,490,316</u>
At 31 August 2020	<u>1,118,558</u>	<u>3,874,212</u>	<u>60,391</u>	<u>544,979</u>	<u>5,598,140</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Company</b>	2021 £	2020 £
Motor vehicles	<u>65,364</u>	<u>44,143</u>

Cost or valuation at 31 August 2021 is as follows:

<b>Group and Company</b>	Land and buildings £
<b>Cost</b>	6,825,743
<b>Valuation:</b>	
Revaluation in 2010	<u>274,120</u>
	<u>7,099,863</u>

The land and buildings were revalued on 20 October 2010 by Sanderson Weatherall, Chartered Surveyors on an open market existing basis.

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**15. FIXED ASSET INVESTMENTS**

	Listed securities £	Unlisted securities £	Sub total carried forward £
<b>Group</b>			
<b>Market value</b>			
At 1 September 2020	694,269	258,720	952,989
Revaluations	123,861	-	123,861
	<u>818,130</u>	<u>258,720</u>	<u>1,076,850</u>
At 31 August 2021			
	Sub total brought forward £	Investments in participating interests £	Total £
<b>Group</b>			
<b>Market value</b>			
At 1 September 2020	952,989	175	953,164
Revaluations	123,861	-	123,861
	<u>1,076,850</u>	<u>175</u>	<u>1,077,025</u>
At 31 August 2021			
<b>Group investments comprise:</b>			
		2021 £	2020 £
Listed investments		818,130	694,269
Unlisted investments		258,720	258,720
Participating interests at cost		175	175
		<u>1,077,025</u>	<u>953,164</u>
Total market value			

All the fixed asset investments are held in the UK

	Listed securities £	Unlisted securities £	Total £
<b>Company</b>			
<b>Market value</b>			
At 1 September 2020	694,269	258,720	952,989
Revaluations	123,861	-	123,861
	<u>818,130</u>	<u>258,720</u>	<u>1,076,850</u>
At 31 August 2021			

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**15. FIXED ASSET INVESTMENTS (continued)**

Company investments at market value comprise:

	2021	2020
	£	£
Listed investments	818,130	694,269
Unlisted investments	258,720	258,720
	<u>1,076,850</u>	<u>952,989</u>
Total	<u>1,076,850</u>	<u>952,989</u>

All the fixed asset investments are held in the UK

**16. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Finished goods and goods for resale	50,806	80,559	-	-
	<u>50,806</u>	<u>80,559</u>	<u>-</u>	<u>-</u>

**17. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,255,820	685,892	1,212,532	676,187
Amounts owed by group undertakings	-	-	162,169	114,350
Other debtors	21,800	29,625	21,800	26,800
Prepayments and accrued income	255,373	48,447	175,373	42,730
	<u>1,532,993</u>	<u>763,964</u>	<u>1,571,874</u>	<u>860,067</u>

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**18. CREDITORS: Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Bank loans and overdrafts	192,384	192,384	192,384	192,384
Net obligations under finance leases and hire purchase contracts	12,354	11,382	12,354	11,382
Trade creditors	357,037	174,258	344,933	161,034
Other taxation and social security	140,722	280,910	133,330	280,910
Other creditors	1,708,693	1,347,462	1,708,693	1,346,874
Accruals and deferred income	2,328,050	1,392,546	2,326,550	1,381,758
	<u>4,739,240</u>	<u>3,398,942</u>	<u>4,718,244</u>	<u>3,374,342</u>

	<u>Group</u>		<u>Company</u>	
	£	£	£	£
<b>Deferred income</b>				
Deferred income at 1 September 2020	715,990	1,104,088	715,990	1,104,088
Resources deferred during the year	1,482,710	500,526	1,482,710	500,526
Amounts released from previous years	(667,888)	(888,624)	(667,888)	(888,624)
Deferred income at 31 August 2021	<u>1,530,812</u>	<u>715,990</u>	<u>1,530,812</u>	<u>715,990</u>

Income deferred in the period relates to fees received in advance.

**19. CREDITORS: Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Bank loans	4,136,298	4,100,776	4,136,298	4,100,776
Net obligations under finance leases and hire purchase contracts	21,497	12,479	21,497	12,479
Accruals and deferred income	147,194	87,266	147,194	87,266
	<u>4,304,989</u>	<u>4,200,521</u>	<u>4,304,989</u>	<u>4,200,521</u>

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**19. CREDITORS: Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<b>Group and Company</b>	
	2021	2020
	£	£
Between one and five years	21,497	12,479
	21,497	12,479

Bank loans are secured over the freehold property known as The Extension to No. 1 Pimlico, No. 2 Pimlico and No.4 Pimlico, Durham together with an additional legal charge over the leasehold property known as Durham School Area 1.

Hire purchase contracts are secured on the assets to which they relate.

**20. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General fund	(5,720,055)	9,194,901	(9,768,146)	48,256	-	(6,245,044)
Revaluation reserve	4,117,382	-	-	(48,256)	-	4,069,126
	(1,602,673)	9,194,901	(9,768,146)	-	-	(2,175,918)
<b>Endowment funds</b>						
Davies Legacy	298,706	6,127	(6,960)	-	47,877	345,750
	298,706	6,127	(6,960)	-	47,877	345,750
<b>Restricted funds</b>						
Trust Funds	443,031	9,663	(9,663)	-	75,984	519,015
The Peter E.I. Lee Scholarship Fund	971,278	12,000	(80,551)	-	-	902,727
	1,414,309	21,663	(90,214)	-	75,984	1,421,742
<b>Total of funds</b>	110,342	9,222,691	(9,865,320)	-	123,861	(408,426)

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**20. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>General funds</b>						
General fund	(5,411,291)	7,834,860	(8,189,673)	46,049	-	(5,720,055)
Revaluation reserve	4,163,431	-	-	(46,049)	-	4,117,382
	<u>(1,247,860)</u>	<u>7,834,860</u>	<u>(8,189,673)</u>	<u>-</u>	<u>-</u>	<u>(1,602,673)</u>
<b>Endowment funds</b>						
Davies Legacy	293,293	8,026	(8,450)	-	5,837	298,706
<b>Restricted funds</b>						
Trust Funds	427,581	12,372	(12,372)	-	15,450	443,031
The Peter E.I. Lee Scholarship Fund	1,004,778	26,040	(59,540)	-	-	971,278
	<u>1,432,359</u>	<u>38,412</u>	<u>(71,912)</u>	<u>-</u>	<u>15,450</u>	<u>1,414,309</u>
<b>Total of funds</b>	<u><u>477,792</u></u>	<u><u>7,881,298</u></u>	<u><u>(8,270,035)</u></u>	<u><u>-</u></u>	<u><u>21,287</u></u>	<u><u>110,342</u></u>

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
General funds	(1,602,673)	9,194,901	(9,768,146)	-	(2,175,918)
Endowment funds	298,706	6,127	(6,960)	47,877	345,750
Restricted funds	1,414,309	21,663	(90,214)	75,984	1,421,742
	<u>110,342</u>	<u>9,222,691</u>	<u>(9,865,320)</u>	<u>123,861</u>	<u>(408,426)</u>

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**20. STATEMENT OF FUNDS (continued)**

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
General funds	(1,247,860)	7,834,860	(8,189,673)	-	(1,602,673)
Endowment funds	293,293	8,026	(8,450)	5,837	298,706
Restricted funds	1,432,359	38,412	(71,912)	15,450	1,414,309
	<u>477,792</u>	<u>7,881,298</u>	<u>(8,270,035)</u>	<u>21,287</u>	<u>110,342</u>

The purpose of each fund is as follows:

**Unrestricted funds**

General fund

These funds represent the unrestricted resources available for the general work of the charitable company and its subsidiaries.

**Restricted funds**

Trust fund

Trust funds represent various funds transferred from the Dean and Chapter of Durham. The Dean and Chapter of Durham is still the appointed Trustee, although the funds are now in the custody of Durham School.

The Peter E.I. Lee Scholarship fund

The Peter E.I. Lee Scholarship fund is to be used for the granting of scholarships under the name of "The Lee Scholarships" and is to be awarded to academically qualified students of whom fifty percent should be of the Chinese race or of Hong Kong Chinese ancestry and the remaining fifty percent to be awarded to similarly qualified candidates of any race or nationality.

**Endowment funds**

Davies Legacy

The Davies Legacy was received from the Estate of the late Mr E W Davies. The income generated from the legacy is restricted to the use of educating children of Warrant and Non-commissioned Officers in HM Forces.

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	5,490,316	-	-	5,490,316
Fixed asset investments	176	761,316	315,533	1,077,025
Current assets	1,377,819	660,426	30,217	2,068,462
Creditors due within one year	(4,739,240)	-	-	(4,739,240)
Creditors due in more than one year	(4,304,989)	-	-	(4,304,989)
	<u>(2,175,918)</u>	<u>1,421,742</u>	<u>345,750</u>	<u>(408,426)</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	5,598,140	-	-	5,598,140
Fixed asset investments	174	685,331	267,659	953,164
Current assets	386,104	728,978	31,047	1,158,501
Creditors due within one year	(3,398,942)	-	-	(3,398,942)
Creditors due in more than one year	(4,200,521)	-	-	(4,200,521)
	<u>(1,615,045)</u>	<u>1,414,309</u>	<u>298,706</u>	<u>110,342</u>

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**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Group	
	2021	2020
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(518,768)	(367,450)
<b>Adjustment for:</b>		
Depreciation charges	297,200	298,707
Gain on investments	(123,861)	(21,287)
Dividends, interest and rents from investments	(21,663)	(38,412)
Profit on the sale of fixed assets	(5,000)	-
Decrease/(increase) in stocks	29,753	(15,362)
(Increase)/decrease in debtors	(769,029)	478,597
Increase/(decrease) in creditors	1,399,254	(134,789)
Capital donations	(129,824)	-
Income attributable to endowment	(6,127)	(8,026)
Expenditure attributable to endowment	6,960	8,450
<b>Net cash provided by operating activities</b>	<b>158,895</b>	<b>200,428</b>

**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Group	
	2021	2020
	£	£
Cash in hand	341	3,490
Notice deposits (less than 3 months)	484,322	310,488
<b>Total</b>	<b>484,663</b>	<b>313,978</b>

**24. CONTINGENT LIABILITIES**

Properties transferred from the Dean and Chapter of Durham.

On 1 January 1995 the properties of the School as part of the Dean and Chapter of Durham were transferred to the charitable company on a variety of freehold, long and short leasehold agreements. The agreements provide that in the event of the sale of certain of the properties leased by the charitable company, a proportion of the proceeds generated are due to the Dean and Chapter of Durham as Landlords. The total contingent liability would amount to £4,134,000 (2020: £4,134,000) based on valuations of market values of property of £6,890,000 at 20 October 2010. No revaluation has been performed since this date.

**25. PENSION COMMITMENTS**

Defined Contribution Schemes

The charitable company operates separate defined contribution pension schemes for academic and non-academic staff. The assets of all of the Schemes are held separately from those of the company in independently administered funds.

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**25. PENSION COMMITMENTS (continued)**

Defined Benefit Schemes

Some of the charitable company's employees are members of the Teachers' Pension Scheme (England & Wales). This is a multi-employer defined benefit scheme for which the assets and liabilities attributable to the charitable company can not be identified and is treated as a defined contribution scheme under FRS 102.

Charitable company contributions charged to all of the charitable company's Schemes during the year amount to £936,824 (2020: £715,770). All contributions were paid during the year.

**Teacher's Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teacher's Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The next valuation result is due to be implemented from 1 April 2023.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

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**26. OPERATING LEASE COMMITMENTS**

At 31 August 2021 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group and Company</b>	2021	2020
	£	£
<b>Amounts payable:</b>		
Within 1 year	246,658	247,488
Between 1 and 5 years	818,072	971,033
After more than 5 years	2,043,746	2,251,701
	<u>3,108,476</u>	<u>3,470,222</u>
<b>Total</b>	<u><u>3,108,476</u></u>	<u><u>3,470,222</u></u>

At 31 August 2021 the company had annual commitments under non-cancellable operating leases as follows:

<b>Company</b>		
<b>Amounts payable:</b>		
Within 1 year	246,658	247,488
Between 1 and 5 years	818,072	971,033
After more than 5 years	2,043,746	2,251,701
	<u>3,108,476</u>	<u>3,470,222</u>
<b>Total</b>	<u><u>3,108,476</u></u>	<u><u>3,470,222</u></u>

**27. MEMBERS' LIABILITY**

The charitable company is incorporated under the Companies Act and does not have a Share Capital and is Limited by Guarantee.

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

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**28. RELATED PARTY TRANSACTIONS**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions with associated charitable companies:

During the year, the charitable company charged £2,500 (2020: £2,500) to cover secretarial and administration costs and received scholarships on behalf of pupils totalling £37,300 (2019: £29,240) from The Burkitt Scholarship Fund, which is a separately administered charitable company, in which the Headmaster, K McLaughlin, is a Trustee. As at 31 August 2021 the balance owed by the Burkitt Scholarship Fund was £21,800 (2020: £12,440).

During the year, the charitable company received scholarships on behalf of pupils totalling £22,448 (2020: £nil) from Durham School Langley Foundation, which is a separately administered charitable company, in which G Hodgson and R Ribchester are trustees. As at 31 August 2021 the balance owed to Durham School Langley Foundation was £35,477 (2020: £13,050).

Transactions with companies where a non-controlling interest is held:

During the year, dividend income of £12,000 (£21,000) was received from Durham Markets Company Limited

**29. PRINCIPAL SUBSIDIARIES**

**Durham School Trading Limited**

Subsidiary name	Durham School Trading Limited
Company registration number	04175538
Basis of control	Shareholding
Equity shareholding %	100%
Total assets as at 31 August 2021	£ 180,182
Total liabilities as at 31 August 2021	£ 183,165
Total equity as at 31 August 2021	£ (2,983)
Turnover for the year ended 31 August 2021	£ 126,234
Expenditure for the year ended 31 August 2021	£ 354,342
Profit for the year ended 31 August 2021	£ 35,457

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**CONSOLIDATED DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>TRADING INCOME</b>		
Trading turnover	126,234	119,332
<b>LESS: TRADING COST OF SALES</b>		
Purchases	89,732	53,180
Wages	22,761	25,210
<b>TOTAL TRADING COST OF SALES</b>	112,493	78,390
<b>GROSS TRADING PROFIT</b>	13,741	40,942
<b>INVESTMENT INCOME</b>		
Investment income	291,355	176,624
Gain on investments	123,861	21,287
<b>TOTAL INVESTMENT INCOME</b>	415,216	197,911
<b>LESS: OTHER TRADING EXPENSES</b>		
Corporation tax	-	33
<b>NET PROFIT FROM TRADING ACTIVITIES</b>	428,957	238,820
<b>CHARITY INCOME</b>		
Gross fees	8,295,058	8,433,504
Bursaries, grants and allowances	(1,620,248)	(1,710,940)
Registration fees	16,602	13,672
Other ancillary income	1,441,953	259,535
Government income	541,913	577,189
Donations	129,824	-
<b>TOTAL CHARITY INCOME</b>	8,805,102	7,572,960

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**CONSOLIDATED DETAILED INCOME AND EXPENDITURE ACCOUNT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>LESS: CHARITY EXPENDITURE</b>		
Wages	5,030,941	4,099,310
Social security	464,187	388,213
Pensions	936,824	715,770
Bursaries	97,174	67,990
Transport	54,005	45,006
Departmental	162,240	168,067
Marketing	59,140	54,582
Agents commission	48,856	50,663
Heat and light	162,562	298,213
Rent	238,064	235,815
Rates and water	75,707	131,610
Refuse	54,089	46,798
Maintenance	231,581	226,801
Telephone	4,716	11,011
Grounds maintenance	40,608	60,620
Insurance	70,853	60,273
Legal and professional	43,116	18,667
Postage	7,699	7,849
Central IT	57,727	64,039
Central printing	4,220	1,934
Administration	47,808	36,243
Catering and cleaning	872,865	722,230
Examinations	43,256	46,520
Staff training	6,382	8,020
Bad debts	98,684	107,348
Subscriptions	43,380	34,934
Recruitment costs	17,310	22,968
Auditors' remuneration	18,560	18,000
Depreciation	297,200	298,707
Exceptional costs	270,873	-
	9,560,627	8,048,201
<b>NET EXPENDITURE FROM CHARITABLE SOURCES</b>	<b>(755,525)</b>	<b>(475,241)</b>

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**Previously known as DURHAM SCHOOL**  
**(A company limited by guarantee)**

**CONSOLIDATED DETAILED INCOME AND EXPENDITURE ACCOUNT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>NET EXPENDITURE FROM CHARITABLE SOURCES (brought forward)</b>	(755,525)	(475,241)
<b>OTHER EXPENDITURE</b>		
Finance costs	(192,200)	(131,039)
<b>NET EXPENDITURE FOR THE YEAR</b>	(518,768)	(367,460)
Deficit in year	(518,768)	(367,450)
Funds brought forward at 1 September 2020	110,342	477,792
Funds carried forward at 31 August 2021	(408,426)	110,342

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

England & Wales - Charity number 1023407

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# Accounts

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Registered number: 02776914  
Charity number: 1023407

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

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**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Trustees**

M Coates (resigned 31 July 2020)  
G Hodgson  
A MacConachie (resigned 1 July 2020)  
R Ribchester  
N Turner  
M Regan  
J Robson  
Q Anstee  
R Swart  
S Dobson  
M Hampel  
K Ballantyne  
J Cowie (resigned 3 December 2019)

**Company registered number**

02776914

**Charity registered number**

1023407

**Registered office**

The Bursar's Office, Durham School, Durham, DH1 4SZ

**Company secretary**

D Leigh

**Headmaster**

K J McLaughlin

**Independent auditors**

Clive Owen LLP, Kepier House, Belmont Business Park, Durham, DH1 1TW

**Bankers**

Barclays Bank PLC, 6 Market Place, Durham, DH1 3NB

**Solicitors**

Swinburne Maddison LLP, Venture House, Aykley Heads Business Centre, Durham, DH1 5TS

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees who are also directors of Durham Cathedral Schools Foundation present their annual report together with the audited financial statements of Durham School Trading Limited for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011, the charity's constitution and the Charities SORP (FRS 102).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The principal activity of the charitable company continues to be the provision of training and instruction of pupils at both Durham School and Bow, Durham School on the basis of Church of England principles in spiritual, moral, mental and physical training.

Durham Cathedral Schools Foundation comprises Bow, Durham School (Nursery to Year 6) and Durham School (Year 7 to Year 13). It is a registered charity, and any and all surpluses are re invested in education. The charitable purpose for which the Foundation exists is Education. In addition to this, the Foundation has a vital role to play in the Community, both local and further afield, being a boarding and day school.

The Foundation is divided between two sites, within a short walking distance from each other. The education of Day pupils aged 3 to 11 takes place in the Nursery, Pre Prep and Prep departments at Bow, Durham School. The senior section at Durham School offers the choice of Day, Weekly Boarding and Full Boarding to pupils from the age of 11 to 18. Both Schools offer small classes and high-quality teaching and learning. The Foundation promotes an environment where civility, respect and a community spirit are expected of all pupils. The Foundation recognises the following standards which have been developed in conjunction with pupils, parents and staff and are standards which all involved in the Foundation should aspire to:

- M Moral integrity
- A Ambition
- R Respect
- K Kindness

The broad strategies of improving academic performance, achieving excellence in teaching and learning, increasing headcount and continuing to develop the Junior School as a stronger long term feeder unit for the Senior School remain unchanged. Both Schools strive to ensure that pupils attain their full academic potential, and provide an increasing extra curricular programme of activities, which are organised to develop the concepts of responsibility, leadership and service.

The charitable company continues to have a close relationship with the Chapter of Durham Cathedral, which is the charitable company's main landlord. The University of Durham is the landlord of Bow, Durham School. The charitable company owns the entire share capital of Durham School Trading Limited, which organises the letting of Foundation facilities.

**Public benefit**

The charitable company's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charitable company's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

Durham Cathedral Schools Foundation, as a registered charitable company, demonstrates its fulfilment of the Public Benefit criteria. Respect for others, with a charitable focus, is central to the Foundation's ethos, which enriches the life of the School's and provides opportunities for pupils of all ages to understand the importance of giving.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**OBJECTIVES AND ACTIVITIES (continued)**

The areas of public benefit identified come under the headings:

1. Educating our own pupils, including scholarships and bursaries
2. Savings to the taxpayer
3. Community partnerships
4. Fundraising and charity events

**1. Educating our own pupils, including scholarships and bursaries**

Financial support to pupils is provided through means tested bursaries and scholarships for excellence.

In the financial year ended 31 August 2020 £728,198 was provided in means tested bursary support, and a further £441,965 in scholarship support for excellence by the Foundation. These amounts equated to 14% of fee income.

In addition to the support provided by the Foundation, financial support was also provided to Durham School pupils through The Burkitt Trust, which is administered by the School and specifically offers support to pupils achieving a high standard at GCSE level. In the year ended 31 August 2020 the Trust provided £35,637 of support.

In the 2016/17 year the Durham School developed a partnership arrangement with Castle View Enterprise Academy, through which substantial financial support was provided to 5 pupils to enable them to complete their A level studies at Durham School (2 in Year 13 and 3 in Year 12).

The Foundation continues to participate in 2 national schemes to provide financial support for pupils from overseas who would not otherwise have been able to access education in the UK, these were the HMC and ESU Schemes. Four pupils were supported through these schemes. The support provided by the Foundation amounted to £282,501.

The Trustees regularly review the policies associated with Scholarships and Bursaries to ensure that they support the target of widening access to the School's. As a result of these reviews the emphasis on means testing of awards has and will continue to increase.

**2. Savings to the taxpayer**

In 2019/20, the Foundation educated over 515 children at no cost to the state, saving the taxpayer over £3 million annually, based on the published data for the cost of educating a child in the maintained sector. By providing an environment which is academic, residential, co educational and Anglican, the School provides an environment not generally available in the maintained sector. There were 144 pupils in the Junior School, which based on published average funding levels for primary schools in the state sector equates to £705,600. In addition, 394 pupils were educated in the Senior School, which based on published average funding levels for secondary schools in the state sector equates to £2,337,300. In total therefore the saving to the tax payer is £3,042,900.

**3. Community partnerships**

**Combined Cadet Force**

The Foundation has a thriving Combined Cadet Force, providing an excellent introduction for those pupils interested in a career in HM Armed Services. This offers weekly training activities and week-long training courses in partnership with the Army and Navy National CCF programme.

**Pentathlon GB**

The Foundation hosts the Pentathlon GB Academy, which provides regular training sessions, both short term and residential for budding pentathletes from the region. The Foundation provides facilities and some staffing for these activities at either cost or free of charge.

**Home Instead**

In conjunction with Home Instead the Foundation provides a venue in one of the boarding houses to host a memory café which supports those suffering from dementia and their carers.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**OBJECTIVES AND ACTIVITIES (continued)**

**Facilities**

Facilities are shared with the community in a number of ways; the Foundation lets out facilities at either below market rates or for free on a regular basis including:

- a) Durham City Cricket Club [The Budworth];
- b) Durham City Swimming Club [pool];
- c) Durham City Hockey Club [Astro Turf];
- d) The University of Durham [The Budworth & pool];
- e) The Chorister School [pool];
- f) St Margaret's School [pool];
- g) National Childbirth Trust;
- h) The Professional Association of Teachers of Students with Specific Learning Disabilities;
- i) World Challenge [Grounds];
- j) The Braes of Derwent [Grounds, the pool, and Big School];
- k) Durham Association of Book Sellers;
- l) Durham School is let during 4 weeks of the summer holiday to an international language school with 24 children resident on site.
- m) From September 2017, the School volunteered its facilities to be used as a blood donation centre with the NHS Blood and Transport Service.

**The Chapel**

The Chapel enjoys strong links with Durham Cathedral, and the Foundation shares both half-termly and end-of-term services with the Cathedral as well as occasional services such as Confirmation. The Foundation's Chapel is open to the public on Heritage Open Days, organised by English Heritage, with no entrance fee.

**Partnerships with the Maintained Sector**

Through the Foundation's various societies, we regularly invite pupils from the local maintained sector schools to participate in academic, cultural, or sporting enrichment activities at Durham School. These include:

- MedSoc;
- The Tristram Society [the Sciences];
- The Hillard Society [Classical & Modern Languages];
- Politics Society;
- University Entrance Examination Preparation;
- Durham School Boat Club.

Durham School runs an annual programme for maintained primary schools in the Durham City area; these schools include:

- St Margaret's Primary School, Durham
- Neville's Cross Primary School, Durham
- Shincliffe Primary School, Shincliffe

Through the History Department at the University of Durham and the RSA, the History Department runs a series of study days for LVI pupils from local academies and maintained-sector schools to work alongside undergraduate students, using the School facilities.

The Foundation has strong links with Castle View Enterprise Academy, initially the focus of the link was on the provision of financial support to enable Castle View Enterprise Academy Pupils to access sixth form provision at Durham School, including staff visits to promote the sharing of teaching and learning knowledge and practice.

In 2019/20 the Foundation ran its second TeacherEd conference, which was open to teachers from the maintained and independent sectors. Sessions in the conference were designed to promote excellence in teaching and learning.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**OBJECTIVES AND ACTIVITIES (continued)**

The Foundation enjoys links with other schools through a swimming programme, in which pool use and coaching are offered at significantly reduced rates. In addition, the School provides lifeguard training through the RLSS Drowning Prevention at no cost to the same schools.

Schools which take advantage of this are St Oswald's, Durham, St Margaret's, Durham and St Michael's, Esh.

In addition, Durham School provides Saturday swimming lessons to the wider community with approximately 100 swimmers coming from local, maintained schools.

**4. Fundraising and charity events**

In line with its values of Moral Integrity, Ambition, Responsibility and Kindness, Durham School actively engages in a wide array of charitable work, both as a whole school, and in the individual houses. As well as benefiting many good causes, this work also helps to develop a sense of social responsibility in our pupils. Much of this work is coordinated by the School Charities Committee, which is chaired by the Chaplain.

This year the Foundation has raised over £3,100 in support of the following charities: Children in Need, MacMillan, SportsAid, and the Woodside Centre.

The Foundation regularly engages in voluntary and charitable work, including:

- a) The Great North Run, raising over monies for a variety of charities [Cystic Fibrosis, the Rainbow Trust, Beating Bowel Cancer, Tommy's, and the Red Cross];
- b) Many pupils undertake community service through the Duke of Edinburgh Award scheme, which is a thriving extracurricular activity at the Schools.
- c) Our pupils participate in the World Challenge programme, which offers them the opportunity to take part in charitable projects overseas.
- d) Durham School has established particular links with the Zambezi Sunrise Trust, a charity which helps fund educational projects in Zambia. The School now hosts the Zambezi Sunrise Trust Annual Dinner each November, and undertakes other fundraising events throughout the year. In addition, our pupils regularly exchange letters with pupils in Zambia. In recognition of this support, a classroom at a ZST School in Zambia has been named "The Durham Room".

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

**a) Pupil Numbers**

Pupil numbers in 2019/20 were slightly below the targeted level, with 371 pupils in the Senior School (target 380) and 144 at Bow School (target 147).

**b) Examination Results**

Academic performance within the school continues to be strong, with a 100% pass rate at A level (2019: 97.3%) and an A\* B pass rate of 80.5% (2019: 61.5%) while at GCSE pass rates were: 7,8 and 9 48.6% in the new 9 1 GCSE structure (2019 41%), 6 9 pass rate of 72.8% (2019 61.4%), and 4 – 9 97% (2019 A\* C: 91.2%). Academic performance continues to be a key focus for the Foundation.

**c) Other achievements**

Other achievements in 2019/20:

- 13 pupils have gained ABRSM Music qualifications in a wide variety of instruments and at all levels: 24% Distinction; 41% Merit; 35% pass. NB far fewer exams were taken compared to a normal year as no exams were held between March and July;

In a normal year pupils take LAMDA exams supported by Dina Gatzou. Those exams have not taken place in 2019/20 so there will be more than usual in 2020/21;

- 1 pupil achieved Duke of Edinburgh Gold award, 13 achieved Silver and 15 have achieved the Bronze award;

- Sporting success continues to be achieved both at team and individual basis across a wide variety of sports;

- A number of successful drama productions have been staged during the year, these have included productions for particular year groups and the whole school and included the first production of Billy Elliot in County Durham;

- In November 2019 the traditional School Music Competition was again extended to become a Music and Drama Competition. The event was held in Big School.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**ACHIEVEMENT AND PERFORMANCE (continued)**

**d) Developments**

The swimming pool changing rooms have been fully refurbished as part of a new commercial partnership with the Total Swimming Academy. The rolling programme of furniture replacement and redecoration in the boarding houses has continued.

**e) International Developments**

In 2012 Durham School entered into an agreement, through Durham School Trading Limited, with IKC Holdings Limited to form Durham Infinity International Schools, a joint venture company. The purpose of the joint venture company was to develop Schools carrying the Durham School brand and promoting the Durham School ethos in other parts of the world.

In 2017/18 a formal agreement was signed in relation to the opening of the first international school in Doha. Durham School for Girls Doha opened in August 2019 with in excess of 400 pupils on the school roll in year groups from the Foundation Stage to year 6. Durham School for Girls Doha aims to inspire a lifelong appetite for learning in a caring environment that will develop emotional, moral and spiritual strength for future leaders.

In 2019/20 Durham School for Girls Doha has operated with over 950 pupils and is planning to increase pupil numbers to circa 1,200 next year.

This venture will bring commercial, cultural and academic benefits to Durham School.

**FINANCIAL REVIEW**

**Financial position**

The consolidated results for the year show a deficit of £367,450 (2019: £5,829 deficit). The budgeted position for 2019/20 was initially in breakeven position.

In common with other businesses the Covid19 pandemic has had a significant impact on the results for 2019/20. As required the Foundation went into a state of shut down in March 2020, initially an extended Easter break was provided in the anticipation that the Schools would be able to reopen in accordance with Government guidelines at the end of this period. Unfortunately the Schools were unable to reopen at this time under prevailing guidelines and therefore teaching moved online. The summer term was extended to ensure that pupils were provide with a maximum opportunity for learning.

In terms of the financial impact of the pandemic during 2019/20, in excess of £800k was lost in fee income due to pupils not being resident, and refunds given against day fees and lunch charges. In addition the School and its partner organisations were not able to run Easter and summer language, sports courses and events which resulted in a loss of income of in excess of £110k. The losses incurred were eased by the substantial support received from the national furloughing scheme and by the decision of our supplier of catering and cleaning services to furlough their staff which reduced their charges to the school over and above the impact of reduced consumption. The positive impact of the furlough scheme and reduced consumption was approximately £777k.

Therefore in overall terms the impact of the pandemic on the financial results for 2019/20 has been assessed as a loss of £248k.

It should be noted that the financial impact has continued into 2020/21 as the shut down requirements have been re-imposed in 2021 and due to the understandable non return of boarders in September 2020.

The long-term development plan for the Foundation is to achieve a balance between investment back to the Schools by way of highly skilled personnel and physical enhancements, and the maintaining of surplus to reinstate reserves for the charitable company.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**FINANCIAL REVIEW (continued)**

During 2016/17 the Foundation worked with its Bankers, Barclays Bank plc, to restructure the loans and overdraft of the Foundation. The new arrangements came into effect on 1 September 2017, this generated a reduction in the costs of borrowing. The Foundation successfully managed cash balances over the course of 2019/20 in difficult circumstances within the agreed overdraft facility limit. The loan agreement will be re-negotiated during 2020/21.

The charitable company continues to purchase insurance for the Trustees during the year to indemnify them against liabilities arising from acts as part of their duties as Trustees of the charitable company.

Note 18 to the accounts sets out analysis of the assets attributable to the various funds. These assets are sufficient to meet the charitable company's obligations on a fund by fund basis.

The Foundation's tangible assets are all held for use in the Schools and the majority of the Foundation's investments are currently held in either the CBF Church of England Investment Fund or the COIF Charities Investment Fund. Both funds are invested primarily in equities and are aimed at achieving steady income and capital growth. Both funds have satisfactory long term performance records.

**FUTURE PLANS**

The long term aim of the Trustees is to provide reserves for the charitable company. The long-term aim is being taken forward through the following initiatives.

**1. Fundraising**

The development of funds to support financially assisted places at the Schools and capital projects continues to be a core aim.

**2. International activities**

Through its trading subsidiary Durham School Trading Limited, the Foundation in December 2012, entered into a joint venture company, Durham Infinity International Schools, with an Indian company to develop schools carrying the Durham School brand in other parts of the world.

As noted above in August 2019 Durham School for Girls Doha opened and the first year of operation has been very successful with plans to expand further.

Work continues on the exploration of other options for the development of additional international schools.

**3. Merger of Durham School and The Chorister School to form Durham Cathedral Schools Foundation**

The Governing Body of Durham School and the Chapter of Durham Cathedral announced on 23rd November 2020 that, with effect from 1st September 2021, Durham School and The Chorister School will operate under one single Foundation to be known as Durham Cathedral Schools Foundation.

This planned merger will combine the strengths of both existing schools and build on the strong heritage and values they have shared for over 600 years. The merged school will offer outstanding academic, pastoral and co-curricular opportunities for all pupils and further enhance the provision of independent education within the City of Durham. The merger will allow the Foundation to grow and develop in its size and strength whilst continuing to provide a focus on the education of the individual, which celebrates the unique talents of every child, nurturing and bringing out the best in them.

It is the intention that the Foundation will be located on the current sites of both schools: the Pre-prep School will occupy the Bow site, the Prep School the Chorister School site and the Senior School the Durham School site. As a recognition of the history of all three schools, the Pre-Prep will be known as "Bow School", the Prep as "The Chorister School" and the Senior school as "Durham School" within the overall Foundation.

The Durham Cathedral Schools Foundation will be governed by a Board which will comprise of existing Governors of both Durham and The Chorister Schools, including members of the Chapter of Durham Cathedral. The Chair of Governors will be Robert Ribchester, currently Chair at Durham School, and the Vice-Chair will be the Very Reverend Andrew Tremlett, Dean of Durham.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**FUTURE PLANS (continued)**

The Principal of the Foundation will be Kieran McLaughlin, who will continue as the Headmaster of the Senior School. The Head of the Prep School will be Sally Harrod, currently Headmistress of Bow School.

The Choristers of Durham Cathedral will continue to be educated within the Foundation schools and their commitment to the Cathedral Choir will be matched by a commitment from the Foundation to support them.

Both Governing Bodies are agreed that there is a very strong case to merge to form a single Foundation providing education from 3 – 18 years. The merger will provide an enhanced educational experience for all pupils at every level. In particular, the merger offers more competitive sports teams with greater opportunity to participate; musical and cultural opportunities; increased investment in facilities; a more vibrant boarding experience and all the social benefits associated with a larger school community. There will also be opportunities to bring the whole foundation together in Durham Cathedral as part of a worshipping community.

On 23 February 2021 the company officially changed its name from Durham School to Durham Cathedral Schools Foundation.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charitable company is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Durham School was incorporated as a Company Limited by Guarantee on 4th January 1993. The charitable company has charitable status (Charity Number 1023407) and is governed by its Memorandum and Articles of Association (Company Number 02776914).

The Governors and Directors of Durham Cathedral Schools Foundation are also the Trustees of the charitable company. The Trustees nominate a new Trustee when a vacancy arises and the Trustees will then vote on whether or not to appoint. A Trustee offers him / herself for re election every three years. The chairman of the Trustees is re elected on an annual basis by the other Trustees. None of the Trustees receive any remuneration.

To fulfil the requirements of the Articles of Association the Board of Trustees, comprising up to fourteen members, meets each term to administer the charitable company. They appoint a Headmaster to manage the day to day operations of the charitable company.

There are also currently a number of Trustee led sub committees, which cover specific aspects of the business e.g. finance, estates, academic, marketing and health and safety. The sub committees involve officers of the charitable company as the Chairperson of that particular sub committee deemed to be appropriate. The sub committees also try to meet once each academic term.

New Trustees are reminded of their legal, and other, responsibilities and are provided with a thorough induction, which includes familiarisation in the layout, operations, staff and structure of the Schools in addition to financial, legal and safeguarding matters. Any subsequent training requirements that are brought to the attention of the Board of Trustees are seriously considered.

Headmaster - Durham School	K McLaughlin MA (Cantab)
Headmistress - Bow, Durham School	S Harrod BA
Deputy Head (Academic)	A Pearson BSc
Deputy Head (Pastoral)	J Burns BA PhD
Bursar, Company Secretary and Clerk to the Governors	D Leigh

The day to day running of the Schools is delegated to the Headmaster and Bursar.

Any dealings between the charitable company and any Related Parties are disclosed in Note 26 to the Accounts.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Risk management**

The Trustees have a duty to identify and review the risks to which the charitable company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board of Trustees is responsible for the management of the risks faced by the Foundation. During the year the Trustees have examined the principal areas of the Foundation's operations and considered the major risks associated with these areas. In the opinion of the Trustees the Foundation has established systems, which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day to day operations. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees continue to carefully monitor and review risk on a regular basis, and will ensure that systems and procedures are established to manage the risks. During the year high level risks were considered and agreed by the Trustees, these together with the supporting management controls are documented within the Foundation's risk register.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The Trustees (who are also the directors of Durham School (Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

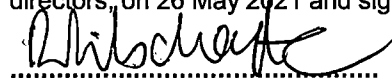
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Clive Owen LLP, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report, incorporating the Group strategic report, was approved by the Trustees, in their capacity as company directors, on 26 May 2021 and signed on their behalf by:



**R Ribchester**  
Trustee

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**OPINION**

We have audited the financial statements of Durham Cathedral Schools Foundation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2020 set out on pages 14 to 37. 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 of the parent charitable company's affairs as at 31 August 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

**MATERIAL UNCERTAINTY RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In the context of the above we draw attention to note 1.3 in the financial statements, which refers to the application of the going concern concept being applied in the preparation of the consolidated financial statements. As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3 indicate that a material uncertainty exists that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable 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, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM CATHEDRAL SCHOOLS  
FOUNDATION**

**AUDITORS' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gary Ellis BA FCA (Senior statutory auditor)

for and on behalf of

**Clive Owen LLP**

Chartered Accountants  
Statutory Auditors

Kepier House  
Belmont Business Park  
Durham  
DH1 1TW  
26 May 2021

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Charitable activities	2	7,585,342	-	-	7,585,342	8,244,785
Other trading activities	3	119,332	-	-	119,332	291,791
Investments	4	130,186	38,412	8,026	176,624	40,712
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>7,834,860</b>	<b>38,412</b>	<b>8,026</b>	<b>7,881,298</b>	<b>8,577,288</b>
<b>EXPENDITURE ON:</b>						
Raising funds		209,462	-	-	209,462	315,129
Charitable activities		7,980,211	71,912	8,450	8,060,573	8,312,562
<b>TOTAL EXPENDITURE</b>	5	<b>8,189,673</b>	<b>71,912</b>	<b>8,450</b>	<b>8,270,035</b>	<b>8,627,691</b>
<b>NET EXPENDITURE BEFORE INVESTMENT GAINS</b>						
Net gains on investments	13	(354,813)	(33,500)	(424)	(388,737)	(50,403)
		-	15,450	5,837	21,287	44,574
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(354,813)	(18,050)	5,413	(367,450)	(5,829)
<b>NET MOVEMENT IN FUNDS</b>						
		(354,813)	(18,050)	5,413	(367,450)	(5,829)
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(1,247,860)	1,432,359	293,293	477,792	483,621
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(1,602,673)</b>	<b>1,414,309</b>	<b>298,706</b>	<b>110,342</b>	<b>477,792</b>

The notes on pages 18 to 37 form part of these financial statements.

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Total funds 2020 £	Total funds 2019 £
<b>GROSS INCOME IN THE REPORTING PERIOD</b>		<b>7,888,722</b>	<b>8,597,390</b>
Less: Total expenditure		8,261,585	8,620,230
<b>NET INCOME FOR THE FINANCIAL YEAR</b>	18	<b>(372,863)</b>	<b>(22,840)</b>

The notes on pages 18 to 37 form part of these financial statements.

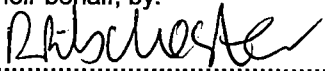
**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

(A company limited by guarantee)  
REGISTERED NUMBER: 02776914

**CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Note	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	12		5,598,140		5,844,600
Investments	13		952,989		931,702
Investments in joint ventures					
-Share of gross assets		175		175	
Share of net assets	13		175		175
			<u>6,551,304</u>		<u>6,776,477</u>
<b>CURRENT ASSETS</b>					
Stocks	14	80,559		65,197	
Debtors	15	763,964		1,241,508	
Cash at bank and in hand		313,978		301,918	
		<u>1,158,501</u>		<u>1,608,623</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(3,398,942)		(3,387,342)	
<b>NET CURRENT LIABILITIES</b>			(2,240,441)		(1,778,719)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,310,863</u>		<u>4,997,758</u>
<b>CREDITORS:</b> amounts falling due after more than one year	17		(4,200,521)		(4,519,966)
<b>NET ASSETS</b>			<u>110,342</u>		<u>477,792</u>
<b>CHARITY FUNDS</b>					
Endowment funds	18		298,706		293,293
Restricted funds	18		1,414,309		1,432,359
Unrestricted funds	18		(1,602,673)		(1,247,860)
<b>TOTAL FUNDS</b>			<u>110,342</u>		<u>477,792</u>

The financial statements were approved and authorised for issue by the Trustees on 26 May 2021 and signed on their behalf, by:



.....  
**R Ribchester**

The notes on pages 18 to 37 form part of these financial statements.

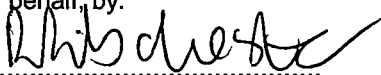
**DURHAM CATHEDRAL SCHOOLS FOUNDATION**

(A company limited by guarantee)  
REGISTERED NUMBER: 02776914

**COMPANY BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Note	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	12		5,598,140		5,844,600
Investments	13		952,989		931,702
			<u>6,551,129</u>		<u>6,776,302</u>
<b>CURRENT ASSETS</b>					
Debtors	15	860,067		1,454,625	
Cash at bank and in hand		312,450		283,236	
		<u>1,172,517</u>		<u>1,737,861</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(3,374,342)		(3,371,892)	
<b>NET CURRENT LIABILITIES</b>			<u>(2,201,825)</u>		<u>(1,634,031)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,349,304</u>		<u>5,142,271</u>
<b>CREDITORS:</b> amounts falling due after more than one year	17		(4,200,521)		(4,519,966)
<b>NET ASSETS</b>			<u>148,783</u>		<u>622,305</u>
<b>CHARITY FUNDS</b>					
Endowment funds			298,706		293,293
Restricted funds			1,414,309		1,432,359
Unrestricted funds			(1,564,232)		(1,103,347)
<b>TOTAL FUNDS</b>			<u>148,783</u>		<u>622,305</u>

The financial statements were approved and authorised for issue by the Trustees on 26 May 2021 and signed on their behalf, by:

  
.....  
**R Ribchester**

The notes on pages 18 to 37 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	200,428	(29,145)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		38,412	32,841
Purchase of tangible fixed assets		(26,627)	(115,640)
<b>Net cash provided by/(used in) investing activities</b>		<b>11,785</b>	<b>(82,799)</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(199,729)	(205,476)
Receipt of endowment		(424)	410
<b>Net cash used in financing activities</b>		<b>(200,153)</b>	<b>(205,066)</b>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		12,060	(317,010)
		301,918	618,928
<b>Cash and cash equivalents carried forward</b>	21	<b>313,978</b>	<b>301,918</b>

The notes on pages 18 to 37 form part of these financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Durham Cathedral Schools Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.3 Going concern**

The Group's charitable activities, together with factors likely to affect its future development and performance, are set out in the Trustee's Report on pages 2 - 9.

The terms of financing facilities provided by Barclays plc to the group expired on 1 September 2020. As is normal commercial practice the terms of subsequent financing facilities to be effective after that date are in the process of being assessed at the date that these financial statements are authorised for issue. Based on discussions between the parties it is not anticipated that these financing facilities will be withdrawn or indeed that the terms of new facilities will be less favourable than the existing ones.

The Trustees have assessed the cash requirements of the Group for the period of at least one year from the date of issue of the financial statements. Based on that – and subject to the renewal of the financing facilities and continued support of the bank – the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

At the date of approval of the financial statements the country and indeed the rest of the world is in the midst of dealing with the Covid19 pandemic. The Group has taken steps to deal with the financial impact of this as far as can currently be estimated, including the preparation of revised forecasts , and other measures, including seeking financial support from the Government where appropriate. Clearly an uncertainty exists as to the precise impact - financial or otherwise - that the pandemic will have and the period over which it will last. Nevertheless the trustees believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements, taking the above factors/measures, and the continued support of the bank, into account.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Gross fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the school.

**1.5 Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of Durham Cathedral Schools Foundation and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the company was £NIL (2019 - £).

**1.7 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Freehold land and buildings and long-term leasehold land and buildings are included at the valuations applicable at 20 October 2010 at which time the interests in the properties were transferred to the limited company (see also note 12). All other assets are included at cost.

The cost of acquiring new freehold land and buildings and other major assets, together with extensions to existing buildings, and major assets acquired by way of gift are valued and capitalised.

All acquisition costs of vehicles, plant and machinery and major fixtures and fittings are capitalised, but general costs of refurbishment and converting existing buildings and plant are written off in the year in which they are incurred.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	straight line over 50 years
Leasehold property	-	straight line over 20 - 50 years
Motor vehicles	-	straight line over 10 years
Fixtures and fittings	-	straight line over 4 - 25 years

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES (continued)**

**1.8 Investments**

Listed investments are stated at fair value at the balance sheet date. The fair value of unlisted investments cannot be measured reliably, and therefore stated at cost less impairment.

Investments in joint ventures are stated at the company's share of net assets. The company's share of the profits or losses of the joint ventures is included in the Statement of financial activities using the equity accounting basis.

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES (continued)**

**1.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.15 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.16 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.17 Pensions**

The charitable company makes contributions to the Teachers Pension Scheme for academic staff and to a selective pension plan for non-academic staff. Contributions payable to the pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

**1.18 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES (continued)**

**1.19 Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Bad debt provision:

The school has included provisions for bad and doubtful debts. Debts considered to be bad are provided for in full, while debts considered to be doubtful have a provision of 25% of the balance included. The total bad debt provision at 31 August 2020 is £255,167 (2019 : £262,810).

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charged during the year was £298,706 (2019 : £395,475)

**2. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
School fee income	8,433,504	-	-	8,433,504	9,629,277
Bursaries, grants and allowances	(1,698,558)	-	-	(1,698,558)	(1,747,338)
Other ancillary fees	273,207	-	-	273,207	362,846
Government income	577,189	-	-	577,189	-
	<u>7,585,342</u>	<u>-</u>	<u>-</u>	<u>7,585,342</u>	<u>8,244,785</u>
Total 2019	<u>8,244,785</u>	<u>-</u>	<u>-</u>	<u>8,244,785</u>	

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**3. FUNDRAISING INCOME**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Trading turnover	119,332	-	-	119,332	291,791
<b>Total 2019</b>	<b>291,791</b>	<b>-</b>	<b>-</b>	<b>291,791</b>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from investments	130,000	38,412	8,026	176,438	40,701
Bank interest received	186	-	-	186	11
	<u>130,186</u>	<u>38,412</u>	<u>8,026</u>	<u>176,624</u>	<u>40,712</u>
<b>Total 2019</b>	<b>11</b>	<b>32,830</b>	<b>7,871</b>	<b>40,712</b>	

**5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Trading expenditure	-	-	78,423	78,423	124,250
Finance costs	-	-	131,039	131,039	190,879
<b>Costs of raising funds</b>	<b>-</b>	<b>-</b>	<b>209,462</b>	<b>209,462</b>	<b>315,129</b>
Educational charitable activities	5,203,293	298,710	2,521,900	8,023,903	8,278,157
Governance costs	-	-	36,670	36,670	34,405
	<u>5,203,293</u>	<u>298,710</u>	<u>2,768,032</u>	<u>8,270,035</u>	<u>8,627,691</u>
<b>Total 2019</b>	<b>4,963,570</b>	<b>395,475</b>	<b>3,268,646</b>	<b>8,627,691</b>	

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**6. DIRECT COSTS**

	Educational activities £	Total 2020 £	Total 2019 £
Educational costs	328,629	328,629	402,317
Bursaries	80,362	80,362	52,825
Welfare	30,990	30,990	22,714
Wages and salaries	2,983,107	2,983,107	2,670,786
National insurance	388,213	388,213	384,249
Pension cost	715,770	715,770	525,481
	<u>4,527,071</u>	<u>4,527,071</u>	<u>4,058,372</u>
Total 2019	<u>4,058,372</u>	<u>4,058,372</u>	

**7. SUPPORT COSTS**

	Educational activities £	Total 2020 £	Total 2019 £
Welfare	529,762	529,762	738,843
Support costs of schooling	604,047	604,047	692,263
Premises	948,110	948,110	1,010,150
Wages and salaries	1,116,203	1,116,203	1,383,054
Depreciation	298,710	298,710	395,475
	<u>3,496,832</u>	<u>3,496,832</u>	<u>4,219,785</u>
Total 2019	<u>4,219,785</u>	<u>4,219,785</u>	

**8. GOVERNANCE COSTS**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Auditors' remuneration	18,000	-	-	18,000	13,200
Legal and professional costs	18,670	-	-	18,670	21,205
	<u>36,670</u>	<u>-</u>	<u>-</u>	<u>36,670</u>	<u>34,405</u>

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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	298,707	395,465
Auditors' remuneration - audit	18,000	13,200
Operating lease rentals - land and buildings	235,815	227,664
Operating lease rentals - other	15,068	51,580
	296,695	788,929

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2019 - £NIL).

**10. STAFF COSTS**

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	4,099,310	4,053,840
Social security costs	388,213	384,249
Other pension costs	715,770	525,481
	5,203,293	4,963,570

The average number of persons employed by the company during the year was as follows:

	2020	2019
	No.	No.
Teaching staff	72	70
Non-teaching staff	45	45
	117	115

The number of higher paid employees was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	2
In the band £100,001 - £200,000	1	1

Of these employees, five are members of the Teachers Pension Scheme and one a selective pension plan for non-academic staff.

The total amount of employee remuneration (including employer national insurance and pension contributions) received by key management personnel for their services to the charitable company was £592,203 (2019 : £588,853).

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**11. INTEREST PAYABLE**

	2020	2019
	£	£
On bank loans and overdrafts	<u>107,890</u>	<u>161,128</u>

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Group</b>					
<b>Cost</b>					
At 1 September 2019	1,400,000	5,699,863	132,171	2,382,100	9,614,134
Additions	-	-	25,620	26,627	52,247
Disposals	-	-	(24,878)	(13,510)	(38,388)
At 31 August 2020	<u>1,400,000</u>	<u>5,699,863</u>	<u>132,913</u>	<u>2,395,217</u>	<u>9,627,993</u>
<b>Depreciation</b>					
At 1 September 2019	251,818	1,688,226	77,313	1,752,177	3,769,534
Charge for the year	29,624	137,425	20,087	111,571	298,707
On disposals	-	-	(24,878)	(13,510)	(38,388)
At 31 August 2020	<u>281,442</u>	<u>1,825,651</u>	<u>72,522</u>	<u>1,850,238</u>	<u>4,029,853</u>
<b>Net book value</b>					
At 31 August 2020	<u>1,118,558</u>	<u>3,874,212</u>	<u>60,391</u>	<u>544,979</u>	<u>5,598,140</u>
At 31 August 2019	<u>1,148,182</u>	<u>4,011,637</u>	<u>54,858</u>	<u>629,923</u>	<u>5,844,600</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020	2019
	£	£
Motor vehicles	<u>44,143</u>	<u>24,256</u>

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<b>Company</b>	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 September 2019	1,400,000	5,699,863	132,171	2,356,583	9,588,617
Additions	-	-	25,620	26,627	52,247
Disposals	-	-	(24,878)	-	(24,878)
<b>At 31 August 2020</b>	<b>1,400,000</b>	<b>5,699,863</b>	<b>132,913</b>	<b>2,383,210</b>	<b>9,615,986</b>
<b>Depreciation</b>					
At 1 September 2019	251,818	1,688,226	77,313	1,726,660	3,744,017
Charge for the year	29,624	137,425	20,087	111,571	298,707
On disposals	-	-	(24,878)	-	(24,878)
<b>At 31 August 2020</b>	<b>281,442</b>	<b>1,825,651</b>	<b>72,522</b>	<b>1,838,231</b>	<b>4,017,846</b>
<b>Net book value</b>					
At 31 August 2020	1,118,558	3,874,212	60,391	544,979	5,598,140
At 31 August 2019	1,148,182	4,011,637	54,858	629,923	5,844,600

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Company</b>	2020 £	2019 £
Motor vehicles	44,143	24,256

Cost or valuation at 31 August 2020 is as follows:

<b>Group and Company</b>	Land and buildings £
<b>Cost</b>	6,825,743
<b>Valuation:</b>	
Revaluation in 2010	274,120
	<u>7,099,863</u>

The land and buildings were revalued on 20 October 2010 by Sanderson Weatherall, Chartered Surveyors on and open market existing basis.

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**13. FIXED ASSET INVESTMENTS**

	Listed securities £	Unlisted securities £	Sub total carried forward £
<b>Group</b>			
<b>Market value</b>			
At 1 September 2019	672,982	258,720	931,702
Revaluations	21,287	-	21,287
	<u>694,269</u>	<u>258,720</u>	<u>952,989</u>
At 31 August 2020			
	Sub total brought forward £	Investments in participating interests £	Total £
<b>Group</b>			
<b>Market value</b>			
At 1 September 2019	931,702	175	931,877
Revaluations	21,287	-	21,287
	<u>952,989</u>	<u>175</u>	<u>953,164</u>
At 31 August 2020			
<b>Group investments comprise:</b>			
		2020 £	2019 £
Listed investments		694,269	672,982
Unlisted investments		258,720	258,720
Participating interests at cost		175	175
		<u>953,164</u>	<u>931,877</u>
Total market value			

All the fixed asset investments are held in the UK

	Listed securities £	Unlisted securities £	Total £
<b>Company</b>			
<b>Market value</b>			
At 1 September 2019	672,982	258,720	931,702
Revaluations	21,287	-	21,287
	<u>694,269</u>	<u>258,720</u>	<u>952,989</u>
At 31 August 2020			

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**13. FIXED ASSET INVESTMENTS (continued)**

Company investments at market value comprise:

	2020	2019
	£	£
Listed investments	694,269	672,982
Unlisted investments	258,720	258,720
	952,989	931,702

All the fixed asset investments are held in the UK

**14. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	80,559	65,197	-	-
	80,559	65,197	-	-

The amount of stock recognised as an expense in the year was £59,254 (2019: £104,464).

**15. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	685,892	1,158,185	676,187	1,148,039
Amounts owed by group undertakings	-	-	114,350	223,578
Other debtors	29,625	27,110	26,800	26,795
Prepayments and accrued income	48,447	56,213	42,730	56,213
	763,964	1,241,508	860,067	1,454,625

**16. CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	192,384	192,386	192,384	192,386
Net obligations under finance leases and hire purchase contracts	11,382	6,152	11,382	6,152
Trade creditors	174,258	175,798	161,034	167,283
Other taxation and social security	280,910	102,650	280,910	100,603
Other creditors	1,347,462	1,069,694	1,346,874	1,066,482
Accruals and deferred income	1,392,546	1,840,662	1,381,758	1,838,986
	3,398,942	3,387,342	3,374,342	3,371,892

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**16. CREDITORS: Amounts falling due within one year (continued)**

	<u>Group</u>		<u>Company</u>	
	£	£	£	£
<b>Deferred income</b>				
Deferred income at 1 September 2019	1,104,088	1,483,006	1,104,088	1,483,006
Resources deferred during the year	500,526	892,048	500,526	892,048
Amounts released from previous years	(888,624)	(1,270,966)	(888,624)	(1,270,966)
Deferred income at 31 August 2020	<u>715,990</u>	<u>1,104,088</u>	<u>715,990</u>	<u>1,104,088</u>

Income deferred in the period relates to fees received in advance.

**17. CREDITORS: Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2020 £	2019 £	2020 £	2019 £
Bank loans	4,100,776	4,280,586	4,100,776	4,280,586
Net obligations under finance leases and hire purchase contracts	12,479	12,006	12,479	12,006
Accruals and deferred income	87,266	227,374	87,266	227,374
	<u>4,200,521</u>	<u>4,519,966</u>	<u>4,200,521</u>	<u>4,519,966</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group and Company</u>	
	2020 £	2019 £
Between one and five years	<u>12,479</u>	<u>12,006</u>

Bank loans are secured over the freehold property known as The Extension to No. 1 Pimlico, No. 2 Pimlico and No.4 Pimlico, Durham together with an additional legal charge over the leasehold property known as Durham School Area 1.

Hire purchase contracts are secured on the assets to which they relate.

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**18. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General fund	(5,411,291)	7,834,860	(8,189,673)	46,049	-	(5,720,055)
Revaluation reserve	4,163,431	-	-	(46,049)	-	4,117,382
	<u>(1,247,860)</u>	<u>7,834,860</u>	<u>(8,189,673)</u>	<u>-</u>	<u>-</u>	<u>(1,602,673)</u>
<b>Endowment funds</b>						
Davies Legacy	<u>293,293</u>	<u>8,026</u>	<u>(8,450)</u>	<u>-</u>	<u>5,837</u>	<u>298,706</u>
<b>Restricted funds</b>						
Trust Funds	427,581	12,372	(12,372)	-	15,450	443,031
The Peter E.I. Lee Scholarship Fund	1,004,778	26,040	(59,540)	-	-	971,278
	<u>1,432,359</u>	<u>38,412</u>	<u>(71,912)</u>	<u>-</u>	<u>15,450</u>	<u>1,414,309</u>
Total of funds	<u>477,792</u>	<u>7,881,298</u>	<u>(8,270,035)</u>	<u>-</u>	<u>21,287</u>	<u>110,342</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>General funds</b>						
General fund	(5,419,584)	8,536,587	(8,574,866)	46,572	-	(5,411,291)
Revaluation reserve	4,210,003	-	-	(46,572)	-	4,163,431
	<u>(1,209,581)</u>	<u>8,536,587</u>	<u>(8,574,866)</u>	<u>-</u>	<u>-</u>	<u>(1,247,860)</u>
<b>Endowment funds</b>						
Davies Legacy	<u>276,282</u>	<u>7,871</u>	<u>(7,461)</u>	<u>-</u>	<u>16,601</u>	<u>293,293</u>
<b>Restricted funds</b>						
Trust Funds	399,608	12,010	(12,010)	-	27,973	427,581
The Peter E.I. Lee Scholarship Fund	1,017,312	20,820	(33,354)	-	-	1,004,778
	<u>1,416,920</u>	<u>32,830</u>	<u>(45,364)</u>	<u>-</u>	<u>27,973</u>	<u>1,432,359</u>
Total of funds	<u>483,621</u>	<u>8,577,288</u>	<u>(8,627,691)</u>	<u>-</u>	<u>44,574</u>	<u>477,792</u>

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**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
General funds	(1,247,860)	7,834,860	(8,189,673)	-	(1,602,673)
Endowment funds	293,293	8,026	(8,450)	5,837	298,706
Restricted funds	1,432,359	38,412	(71,912)	15,450	1,414,309
	<u>477,792</u>	<u>7,881,298</u>	<u>(8,270,035)</u>	<u>21,287</u>	<u>110,342</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
General funds	(1,209,581)	8,536,587	(8,574,866)	-	(1,247,860)
Endowment funds	276,282	7,871	(7,461)	16,601	293,293
Restricted funds	1,416,920	32,830	(45,364)	27,973	1,432,359
	<u>483,621</u>	<u>8,577,288</u>	<u>(8,627,691)</u>	<u>44,574</u>	<u>477,792</u>

The purpose of each fund is as follows:

**Unrestricted funds**

General fund

These funds represent the unrestricted resources available for the general work of the charitable company.

McNay Bequest

The McNay Bequest was donated to the School by Major & Mrs B R F McNay. The income from the gift is to be used as the Headmaster decides.

**Restricted funds**

Trust fund

Trust funds represent various funds transferred from the Dean and Chapter of Durham. The Dean and Chapter of Durham is still the appointed Trustee, although the funds are now in the custody of Durham School.

Matthew Courtney Scholarship

The Matthew Courtney Scholarship fund represents a donation received to set up prize fund to recognise the achievements of students at the school.

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**18. STATEMENT OF FUNDS (continued)**

The Peter E.I. Lee Scholarship fund

The Peter E.I. Lee Scholarship fund is to be used for the granting of scholarships under the name of "The Lee Scholarships" and is to be awarded to academically qualified students of whom fifty percent should be of the Chinese race or of Hong Kong Chinese ancestry and the remaining fifty percent to be awarded to similarly qualified candidates of any race or nationality.

**Endowment funds**

Davies Legacy

The Davies Legacy was received from the Estate of the late Mr E W Davies. The income generated from the legacy is restricted to the use of education children of Warrant and Non-commissioned Officers in HM Forces.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	5,598,140	-	-	5,598,140
Fixed asset investments	174	685,331	267,659	953,164
Current assets	386,104	741,350	31,047	1,158,501
Creditors due within one year	(3,398,942)	-	-	(3,398,942)
Creditors due in more than one year	(4,200,521)	-	-	(4,200,521)
	<u>(1,602,673)</u>	<u>1,414,309</u>	<u>298,706</u>	<u>110,342</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	5,844,600	-	-	5,844,600
Fixed asset investments	175	669,883	261,819	931,877
Current assets	814,673	762,476	31,474	1,608,624
Creditors due within one year	(3,387,343)	-	-	(3,387,343)
Creditors due in more than one year	(4,519,966)	-	-	(4,519,966)
	<u>(1,247,861)</u>	<u>1,432,359</u>	<u>293,293</u>	<u>477,792</u>

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**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Group	
	2020	2019
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(367,450)	(5,829)
<b>Adjustment for:</b>		
Depreciation charges	298,707	395,465
Gain on investments	(21,287)	(44,574)
Dividends, interest and rents from investments	(38,412)	(32,841)
Increase in stocks	(15,362)	(5,720)
Decrease in debtors	478,597	20,995
Decrease in creditors	(134,789)	(356,231)
Income attributable to endowment	(8,026)	(7,871)
Expenditure attributable to endowment	8,450	7,461
<b>Net cash provided by/(used in) operating activities</b>	<b>200,428</b>	<b>(29,145)</b>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Group	
	2020	2019
	£	£
Cash in hand	3,490	3,805
Notice deposits (less than 3 months)	310,488	298,113
<b>Total</b>	<b>313,978</b>	<b>301,918</b>

**22. CONTINGENT LIABILITIES**

Properties transferred from the Dean and Chapter of Durham.

On 1 January 1995 the properties of the School as part of the Dean and Chapter of Durham were transferred to the charitable company on a variety of freehold, long and short leasehold agreements. The agreements provide that in the event of the sale of certain of the properties leased by the charitable company, a proportion of the proceeds generated are due to the Dean and Chapter of Durham as Landlords. The total contingent liability would amount to £4,134,000 (2019: £4,134,000) based on valuations of market values of property of £6,890,000 at 20 October 2010.

**23. PENSION COMMITMENTS**

Defined Contribution Schemes

The charitable company operates separate defined contribution pension schemes for academic and non-academic staff. The assets of all of the Schemes are held separately from those of the company in independently administered funds.

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**23. PENSION COMMITMENTS (continued)**

Defined Benefit Schemes

Some of the charitable company's employees are members of the Teachers' Pension Scheme (England & Wales). This is a multi-employer defined benefit scheme for which the assets and liabilities attributable to the charitable company can not be identified and is treated as a defined contribution scheme under FRS 102.

Charitable company contributions charged to all of the charitable company's Schemes during the year amount to £715,770 (2019: £525,481). All contributions were paid during the year.

**Teacher's Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teacher's Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The next valuation result is due to be implemented from 1 April 2023.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

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**24. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
<b>Group and Company</b>		
<b>Amounts payable:</b>		
Within 1 year	247,488	135,843
Between 1 and 5 years	971,033	290,710
After more than 5 years	2,251,701	424,515
	3,470,222	851,068
<b>Total</b>	3,470,222	851,068

At 31 August 2020 the company had annual commitments under non-cancellable operating leases as follows:

**Company**

**Amounts payable:**

Within 1 year	247,488	135,843
Between 1 and 5 years	971,033	290,710
After more than 5 years	2,251,701	424,515
	3,470,222	851,068
<b>Total</b>	3,470,222	851,068

**25. MEMBERS' LIABILITY**

The charitable company is incorporated under the Companies Act and does not have a Share Capital and is Limited by Guarantee.

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

**26. RELATED PARTY TRANSACTIONS**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the charitable company charged £2,500 (2019: £2,500) to cover secretarial and administration costs and received scholarships on behalf of pupils totalling £29,240 (2019: £41,469) from The Burkitt Scholarship Fund, which is a separately administered charitable company, in which the Headmaster is a Trustee. As at 31 August 2020 the balance owed by the Burkitt Scholarship Fund was £12,440 (2019: £5,469).

During the year, the charitable company received scholarships on behalf of pupils totalling £Nil (2019: £Nil) from Durham School Langley Foundation, which is a separately administered charitable company, in which A MacConachie is a trustee. As at 31 August 2020 the balance owed to Durham School Langley Foundation was £13,050 (2019: £3,685 owed by).

**DURHAM CATHEDRAL SCHOOLS FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**27. PRINCIPAL SUBSIDIARIES**

**Durham School Trading Limited**

Subsidiary name	Durham School Trading Limited
Company registration number	04175538
Basis of control	Shareholding
Equity shareholding %	100%
Total assets as at 31 August 2020	£ 100,543
Total liabilities as at 31 August 2020	£ (138,983)
Total equity as at 31 August 2020	£ (38,440)
Turnover for the year ended 31 August 2020	£ 244,476
Expenditure for the year ended 31 August 2020	£ (138,403)
Profit for the year ended 31 August 2020	£ 106,073