

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

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

² 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
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Headmaster	M Alderson (from 1 September 2025)
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Independent auditors	Clive Owen LLP Chartered Accountants & Statutory Auditors 140 Coniscliffe Road Darlington County Durham DL3 7RT
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Bankers	Barclays Bank PLC Delta Hotels by Marriott Durham Royal County Old Elvet Durham DH1 3JN
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DURHAM CATHEDRAL SCHOOLS FOUNDATION
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**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
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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
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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
Total pupil numbers	738	757	745	Overall numbers remain stable despite the introduction of VAT on school fees.
Durham School roll	476	498	499	Senior School recruitment remains strong.
Chorister School roll	262	259	246	Slight decline reflecting demographic and economic pressures locally.
A Level pass rate	97.4%	100%	96.5%	Consistently strong academic outcomes.
A Level grades A–B	53.8%	62.4%	55.6%	Remains above historic averages.
GCSE grades 7–9	35.5%	52%	44.3%	Improvement since 2022/23 despite national grade normalisation.
GCSE grades 4–9	90.8%	92.5%	92.1%	Consistently high pass rates.
Funds raised for other charities	£7k	£15.8k	£16.9k	Continued engagement in charitable activity across the Foundation.
Estimated Savings to the Public Purse	£5.5m	£5.7m	£5.6m	Based on a saving of £7,500 per pupil
ABRSM music exam entries	110	165	134	Strong participation in the music programme.
International school enrolment – Dubai	164	445	610	Rapid growth in our partner school.
International school enrolment – Nairobi	~250	~250	494	Significant expansion during the year.

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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
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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
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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
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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

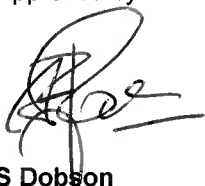
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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 94-26 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.

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**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
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**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 noncompliance 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. 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						
Income and endowments from:						
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
Total income and endowments		14,084,542	58,301	-	14,142,843	13,977,587
Expenditure on:						
Raising funds	8	475,421	-	-	475,421	571,117
Charitable activities	9	13,590,525	6,000	-	13,596,525	13,834,059
Total expenditure		14,065,946	6,000	-	14,071,946	14,405,176
Net income/ (expenditure) before net gains on investments						
		18,596	52,301	-	70,897	(427,589)
Net gains on investments		-	-	-	-	62,154
Net movement in funds before other recognised gains/(losses)		18,596	52,301	-	70,897	(365,435)
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	-	-	769,314
Net movement in funds		18,596	52,301	-	70,897	403,879

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**

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

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 £
Fixed assets			
Tangible assets	14	5,762,226	5,781,442
Investments	15	258,896	258,896
		<u>6,021,122</u>	<u>6,040,338</u>
Current assets			
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
		<u>4,291,071</u>	<u>3,215,044</u>
Current liabilities			
Creditors: amounts falling due within one year	19	(7,271,976)	(6,224,524)
Net current liabilities		<u>(2,980,905)</u>	<u>(3,009,480)</u>
Total assets less current liabilities		<u>3,040,217</u>	<u>3,030,858</u>
Creditors: amounts falling due after more than one year	20	(3,973,982)	(4,035,520)
Net liabilities excluding pension asset		<u>(933,765)</u>	<u>(1,004,662)</u>
Total net assets		<u><u>(933,765)</u></u>	<u><u>(1,004,662)</u></u>
Charity funds			
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)
Total funds		<u><u>(933,765)</u></u>	<u><u>(1,004,662)</u></u>

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

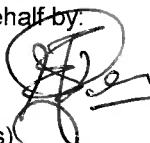
	Note	2025 £	As restated 2024 £
Fixed assets			
Tangible assets	14	5,762,226	5,781,442
Investments	15	258,721	258,721
		<u>6,020,947</u>	<u>6,040,163</u>
Current assets			
Debtors	18	1,017,586	1,338,545
Cash at bank and in hand		2,945,215	1,508,207
		<u>3,962,801</u>	<u>2,846,752</u>
Current liabilities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

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 £
Cash flows from operating activities		
Net cash used in operating activities	1,894,628	952,829
Cash flows from investing activities		
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)
Net cash (used in)/provided by investing activities	(274,023)	755,746
Cash flows from financing activities		
Repayments of borrowing	(66,187)	(87,801)
Repayments of finance leases	(16,653)	(21,402)
Receipt of endowment	-	5,560
Net cash used in financing activities	(82,840)	(103,643)
Change in cash and cash equivalents in the year	1,537,765	1,604,932
Cash and cash equivalents at the beginning of the year	1,682,079	77,147
Cash and cash equivalents at the end of the year	3,219,844	1,682,079

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 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 £
Donations				
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>
Total 2024 as restated	<u>225,828</u>	<u>77,883</u>	<u>303,711</u>	

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

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

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	<u>156,985</u>	<u>156,985</u>	<u>213,486</u>
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	<u>275,672</u>	<u>-</u>	<u>-</u>	<u>275,672</u>	<u>385,001</u>
Total 2024	<u>366,241</u>	<u>13,200</u>	<u>5,560</u>	<u>385,001</u>	

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

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

7. Exceptional items

	Unrestricted funds 2025 £	Total funds 2025 £	As restated Total funds 2024 £
Exceptional items - unknown differences	-	-	203,048
	<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>475,421</u>	<u>475,421</u>	<u>571,117</u>
	<u>475,421</u>	<u>475,421</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>13,590,525</u>	<u>6,000</u>	<u>-</u>	<u>13,596,525</u>	<u>13,834,059</u>
	<u>13,590,525</u>	<u>6,000</u>	<u>-</u>	<u>13,596,525</u>	
Total 2024 as restated	<u>13,486,012</u>	<u>338,013</u>	<u>10,034</u>	<u>13,834,059</u>	

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

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

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:

	Group 2025 No.	Group 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 £
Cost							
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>
Depreciation							
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>
Net book value							
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

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

Charitable Company	Unlisted investments £	Investments in subsidiary companies £	Total £
Cost or valuation			
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:

Name	Company number	Principal activity	Class of shares	Holding	Included in consolidation
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

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

17. Stocks

	Group 2025 £	Group 2024 £
Finished goods and goods for resale	2,138	7,968

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18. Debtors

	Group 2025 £	Group As restated 2024 £	Charitable Company 2025 £	Charitable Company As restated 2024 £
Due within one year				
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

	Group 2025 £	Group As restated 2024 £	Charitable Company 2025 £	Charitable Company 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>

	Group 2025 £	Group 2024 £	Charitable Company 2025 £	Charitable Company 2024 £
Deferred income at 1 September 2024	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)
Deferred income at 31 August 2025	<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

	As restated Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2025 £
Unrestricted funds					
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>
Endowment funds					
Davies Legacy	337,601	-	-	-	337,601
Restricted funds					
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>
Total of funds	<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 £
Unrestricted funds						
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>
Endowment funds						
Davies Legacy	<u>317,990</u>	<u>5,560</u>	<u>(10,034)</u>	<u>-</u>	<u>24,085</u>	<u>337,601</u>
Restricted funds						
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>
Total of funds	<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)
Total	(3,156,384)	1,885,018	337,601	(933,765)

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)
Total As restated	(3,174,980)	1,832,717	337,601	(1,004,662)

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

	Group 2025 £	Group As restated 2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	70,897	(365,435)
Adjustments for:		
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)
Net cash provided by operating activities	1,894,628	952,829

25. Analysis of cash and cash equivalents

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

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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)
	<u>(2,463,994)</u>	<u>1,620,605</u>	<u>(843,389)</u>

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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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:

	Group 2025 £	Group 2024 £	Charitable Company 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>

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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).

