

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)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 10
Independent auditors' report	11 - 13
Consolidated statement of financial activities	14
Consolidated income and expenditure account	14
Consolidated balance sheet	15
Company balance sheet	16
Consolidated statement of cash flows	17
Notes to the financial statements	18 - 37
 The following pages do not form part of the statutory financial statements:	
Company detailed income and expenditure account and summaries	38 - 39

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 Gatzidou. 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 provided 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

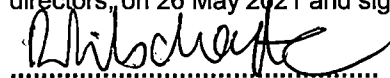
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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. 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 £
INCOME AND ENDOWMENTS FROM:						
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
TOTAL INCOME AND ENDOWMENTS		7,834,860	38,412	8,026	7,881,298	8,577,288
EXPENDITURE ON:						
Raising funds		209,462	-	-	209,462	315,129
Charitable activities		7,980,211	71,912	8,450	8,060,573	8,312,562
TOTAL EXPENDITURE	5	8,189,673	71,912	8,450	8,270,035	8,627,691
NET EXPENDITURE BEFORE INVESTMENT GAINS		(354,813)	(33,500)	(424)	(388,737)	(50,403)
Net gains on investments	13	-	15,450	5,837	21,287	44,574
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(354,813)	(18,050)	5,413	(367,450)	(5,829)
NET MOVEMENT IN FUNDS		(354,813)	(18,050)	5,413	(367,450)	(5,829)
RECONCILIATION OF FUNDS:						
Total funds brought forward		(1,247,860)	1,432,359	293,293	477,792	483,621
TOTAL FUNDS CARRIED FORWARD		(1,602,673)	1,414,309	298,706	110,342	477,792

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 £
GROSS INCOME IN THE REPORTING PERIOD		7,888,722	8,597,390
Less: Total expenditure		8,261,585	8,620,230
NET INCOME FOR THE FINANCIAL YEAR	18	(372,863)	(22,840)

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 £
FIXED ASSETS					
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>
CURRENT ASSETS					
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>	
CREDITORS: amounts falling due within one year	16	(3,398,942)		(3,387,342)	
NET CURRENT LIABILITIES			(2,240,441)		(1,778,719)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,310,863</u>		<u>4,997,758</u>
CREDITORS: amounts falling due after more than one year	17		(4,200,521)		(4,519,966)
NET ASSETS			<u>110,342</u>		<u>477,792</u>
CHARITY FUNDS					
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)
TOTAL FUNDS			<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.

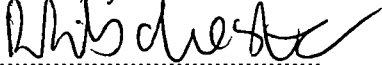
DURHAM CATHEDRAL SCHOOLS FOUNDATION

(A company limited by guarantee)
REGISTERED NUMBER: 02776914

**COMPANY BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
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>
CURRENT ASSETS					
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>	
CREDITORS: amounts falling due within one year	16	(3,374,342)		(3,371,892)	
NET CURRENT LIABILITIES			(2,201,825)		(1,634,031)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,349,304</u>		<u>5,142,271</u>
CREDITORS: amounts falling due after more than one year	17		(4,200,521)		(4,519,966)
NET ASSETS			<u>148,783</u>		<u>622,305</u>
CHARITY FUNDS					
Endowment funds			298,706		293,293
Restricted funds			1,414,309		1,432,359
Unrestricted funds			(1,564,232)		(1,103,347)
TOTAL FUNDS			<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 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	200,428	(29,145)
Cash flows from investing activities:			
Dividends, interest and rents from investments		38,412	32,841
Purchase of tangible fixed assets		(26,627)	(115,640)
Net cash provided by/(used in) investing activities		11,785	(82,799)
Cash flows from financing activities:			
Repayments of borrowings		(199,729)	(205,476)
Receipt of endowment		(424)	410
Net cash used in financing activities		(200,153)	(205,066)
Change in cash and cash equivalents in the year		12,060	(317,010)
Cash and cash equivalents brought forward		301,918	618,928
Cash and cash equivalents carried forward	21	313,978	301,918

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
Total 2019	291,791	-	-	291,791	

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
	130,186	38,412	8,026	176,624	40,712
Total 2019	11	32,830	7,871	40,712	

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
Costs of raising funds	-	-	209,462	209,462	315,129
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
	5,203,293	298,710	2,768,032	8,270,035	8,627,691
Total 2019	4,963,570	395,475	3,268,646	8,627,691	

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>

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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
	<u>567,590</u>	<u>788,919</u>

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
	<u>5,203,293</u>	<u>4,963,570</u>

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

	2020 No.	2019 No.
Teaching staff	72	70
Non-teaching staff	45	45
	<u>117</u>	<u>115</u>

The number of higher paid employees was:

	2020 No.	2019 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).

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. INTEREST PAYABLE

	2020 £	2019 £
On bank loans and overdrafts	107,890	161,128

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
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	1,400,000	5,699,863	132,913	2,395,217	9,627,993
Depreciation					
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	281,442	1,825,651	72,522	1,850,238	4,029,853
Net book value					
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:

Group	2020 £	2019 £
Motor vehicles	44,143	24,256

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Company	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
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)
At 31 August 2020	<u>1,400,000</u>	<u>5,699,863</u>	<u>132,913</u>	<u>2,383,210</u>	<u>9,615,986</u>
Depreciation					
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)
At 31 August 2020	<u>281,442</u>	<u>1,825,651</u>	<u>72,522</u>	<u>1,838,231</u>	<u>4,017,846</u>
Net book value					
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:

Company	2020 £	2019 £
Motor vehicles	<u>44,143</u>	<u>24,256</u>

Cost or valuation at 31 August 2020 is as follows:

Group and Company

Cost

Valuation:

Revaluation in 2010

Land and
buildings
£

6,825,743

274,120

7,099,863

The land and buildings were revalued on 20 October 2010 by Sanderson Weatherall, Chartered Surveyors on and open market existing basis.

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. FIXED ASSET INVESTMENTS

	Listed securities £	Unlisted securities £	Sub total carried forward £
Group			
Market value			
At 1 September 2019	672,982	258,720	931,702
Revaluations	21,287	-	21,287
	<hr/>	<hr/>	<hr/>
At 31 August 2020	694,269	258,720	952,989
	<hr/>	<hr/>	<hr/>
	Sub total brought forward £	Investments in participating interests £	Total £
Group			
Market value			
At 1 September 2019	931,702	175	931,877
Revaluations	21,287	-	21,287
	<hr/>	<hr/>	<hr/>
At 31 August 2020	952,989	175	953,164
	<hr/>	<hr/>	<hr/>
Group investments comprise:			
		2020 £	2019 £
Listed investments		694,269	672,982
Unlisted investments		258,720	258,720
Participating interests at cost		175	175
		<hr/>	<hr/>
Total market value		953,164	931,877
		<hr/>	<hr/>

All the fixed asset investments are held in the UK

	Listed securities £	Unlisted securities £	Total £
Company			
Market value			
At 1 September 2019	672,982	258,720	931,702
Revaluations	21,287	-	21,287
	<hr/>	<hr/>	<hr/>
At 31 August 2020	694,269	258,720	952,989
	<hr/>	<hr/>	<hr/>

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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
Total	<u>952,989</u>	<u>931,702</u>

All the fixed asset investments are held in the UK

14. STOCKS

	<u>Group</u>		<u>Company</u>	
	2020 £	2019 £	2020 £	2019 £
Finished goods and goods for resale	80,559	65,197	-	-

The amount of stock recognised as an expense in the year was £59,254 (2019: £104,464).

15. DEBTORS

	<u>Group</u>		<u>Company</u>	
	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
	<u>763,964</u>	<u>1,241,508</u>	<u>860,067</u>	<u>1,454,625</u>

16. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	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
	<u>3,398,942</u>	<u>3,387,342</u>	<u>3,374,342</u>	<u>3,371,892</u>

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. CREDITORS: Amounts falling due within one year (continued)

	<u>Group</u>		<u>Company</u>	
	£	£	£	£
Deferred income				
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.

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 £
Unrestricted funds						
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>
Endowment funds						
Davies Legacy	<u>293,293</u>	<u>8,026</u>	<u>(8,450)</u>	<u>-</u>	<u>5,837</u>	<u>298,706</u>
Restricted funds						
Trust Funds	427,581	12,372	(12,372)	-	15,450	443,031
The Peter E.I. Lee Scholarship Fund	<u>1,004,778</u>	<u>26,040</u>	<u>(59,540)</u>	<u>-</u>	<u>-</u>	<u>971,278</u>
	<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><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>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
General funds						
General fund	(5,419,584)	8,536,587	(8,574,866)	46,572	-	(5,411,291)
Revaluation reserve	<u>4,210,003</u>	<u>-</u>	<u>-</u>	<u>(46,572)</u>	<u>-</u>	<u>4,163,431</u>
	<u>(1,209,581)</u>	<u>8,536,587</u>	<u>(8,574,866)</u>	<u>-</u>	<u>-</u>	<u>(1,247,860)</u>
Endowment funds						
Davies Legacy	<u>276,282</u>	<u>7,871</u>	<u>(7,461)</u>	<u>-</u>	<u>16,601</u>	<u>293,293</u>
Restricted funds						
Trust Funds	399,608	12,010	(12,010)	-	27,973	427,581
The Peter E.I. Lee Scholarship Fund	<u>1,017,312</u>	<u>20,820</u>	<u>(33,354)</u>	<u>-</u>	<u>-</u>	<u>1,004,778</u>
	<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><u>483,621</u></u>	<u><u>8,577,288</u></u>	<u><u>(8,627,691)</u></u>	<u><u>-</u></u>	<u><u>44,574</u></u>	<u><u>477,792</u></u>

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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>

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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)
Adjustment for:		
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
Net cash provided by/(used in) operating activities	200,428	(29,145)

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
Total	313,978	301,918

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.

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

DURHAM CATHEDRAL SCHOOLS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 £
Group and 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
	<hr/>	<hr/>
Total	3,470,222	851,068
	<hr/>	<hr/>

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
	<hr/>	<hr/>
Total	3,470,222	851,068
	<hr/>	<hr/>

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