

Salisbury Cathedral School Limited
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2020

Salisbury Cathedral School Limited (A company limited by guarantee)

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Salisbury Cathedral School Limited (A company limited by guarantee)

STATUTORY INFORMATION

for the year ended 31 August 2020

MEMBER

The Cathedral Church of the Blessed Virgin Mary of Salisbury

GOVERNORS

Mrs E C Cairncross – *Chair of Governors – Resigned 02/02/2021*
Mrs J Monro-Higgs – *Chair of Governors*
Mr M C Cooke – *Vice Chair*

Mr A Bowman - *Appointed 17/09/2020*
Mrs C M Cooper
Mr S Darke* - *Resigned 01/11/2020*
Mrs S Erven - *Appointed 17/09/2020*
Dr J Fletcher *
Ms S Lumley - *Appointed 17/09/2020*
Mr T M Olliff-Lee*
The Revd Canon E Probert ** - *Resigned 01/11/2020*
Mr J Sloan- *Appointed 17/09/2020*
Miss L K Wallace *
Mr N W C Wood-Roe* – *Resigned 10/11/2019*

* Member of the Finance & General Purposes Committee

** Designated Safeguarding Governor

DIRECTORS

All Governors are recorded at Companies House as Directors.

SENIOR LEADERSHIP TEAM

Head Master	-	Mr Clive Marriott
Bursar & Clerk to the Governors	-	Mrs Sasha Stagg – <i>Resigned 06/11/2020</i>
Deputy Head Master	-	Mr Nick Hawker
Designated Safeguarding Lead	-	Mr Oli Elford

ADDRESS & REGISTERED OFFICE

1, The Close
Salisbury
Wiltshire
SP1 2EQ
www.salisburycathedralschool.com

ADVISERS

BANKERS
Lloyds TSB Bank plc
38 Blue Boar Row
Salisbury
SP1 1DA

SOLICITORS
Parker Bullen
45 Castle Street
Salisbury
SP1 3SS

AUDITORS
RSM UK Audit LLP
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Salisbury Cathedral School Limited (A company limited by guarantee)

GOVERNORS' REPORT

for the year ended 31 August 2020

The Governors present their annual report together with the audited accounts for the year ended 31 August 2020.

REFERENCE AND ADMINISTRATIVE INFORMATION

Salisbury Cathedral School (SCS) is a company limited by guarantee, incorporated on 14 June 2002, whose sole member is the Cathedral Church of the Blessed Virgin Mary of Salisbury (a corporation which acts through the body known as Chapter). The company is also a registered charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Body

Under the terms of the Articles of Association, the Directors are referred to as Governors of whom there shall not be less than eight and not more than fourteen, plus the Chairman.

Recruitment, induction and training of Governors

The Cathedral Church of the Blessed Virgin Mary of Salisbury has the power to appoint and remove Governors who are appointed for five year terms. Both the Governing Body and the Cathedral Chapter give careful consideration to new Governor appointments to ensure any skills shortages are filled. New Governors are inducted into the workings of the school, including policy and procedures at induction meetings with the Head and Clerk. Governors are encouraged to attend appropriate external training seminars and conferences.

Organisation

The Governors are legally responsible for the overall management of the school and meet at least three times a year. The work of implementing most of their policies is carried out by the members of the Finance and General Purposes Committee (F&GP) who typically meet two weeks before each meeting of the full Governing body.

The day to day running of the school is delegated to the Head Master, supported by his senior leadership team.

Risk Management

The Governors examine the major risks that the school faces each financial year. The Charity has developed systems to monitor and control these risks and to mitigate any impact they may have on the school's future.

Key Management Personnel

Key Management Personnel comprises of the Senior Leadership Team. The pay for Key Management Personnel is based on SCS Pay Scales and is agreed by Governors.

Volunteers

The school benefits greatly from having volunteers. These include work experience students, parents, community members and Governors.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects of the Charity are to promote and provide for the advancement of education and the advancement of religion in accordance with the practices of the Church of England for the benefit of the public. For the furtherance of these objects, the Charity has various permanent endowments and un-endowed trust funds held for special purposes in connection with the development of the school's facilities and for scholarships, bursaries, prizes and other choral and educational purposes.

The Charity pursues its objects by running an IAPS accredited Preparatory School, with a Pre-Preparatory department located in the Cathedral Close.

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GOVERNORS' REPORT *(continued)*

for the year ended 31 August 2020

Aims & Objectives

The aims of the school are:

- to maintain and build upon the traditions of spiritual enrichment, musical excellence and academic achievement which have developed over its 900 year history;
- to provide a rounded and fulfilling education through which a love of learning is instilled within an environment which promotes a strong Christian ethos including respect for the individual;
- to have high academic expectations and wide-ranging opportunities in music, sport, art and drama encouraging pupils to develop skills and talents which will equip them for life.

In order that pupils leave Salisbury Cathedral School having achieved an excellent academic grounding and confidence in their abilities and having benefited from the values, cultures and disciplines of the school.

In setting objectives and in planning the activities of the school, Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to the supplementary public benefit guidance on advancing education and on fee charging.

REVIEW OF ACTIVITIES & ACHIEVEMENTS

The most noticeable indicator of the school's success is a healthy pupil role and a full boarding house, at a time when other similar prep schools are suffering in the current economic climate. Maintaining and improving pupil numbers is one of the school's key objectives.

Pupil Numbers

The number of pupils at the end of the school year was 211 (2019: 210) including 30 boarders (2019: 27), with casual boarding also remaining extremely popular: 23 pupils (2019: 44). Some of the year was spent in lockdown, due to the Coronavirus pandemic, which meant that the boarding house was either completely closed, or at other times only open for full and weekly boarders. Casual boarding was suspended when the school opened for the summer term 2020, to limit the risk of infection. However, boarding was thriving prior to the lockdown in March, with the boarding house being full on most nights. Pupil numbers are encouraging, and the number of enquiries is on the increase, in particular in our Nursery and Pre-prep because of the ongoing success of the extremely popular and over-subscribed Toddler Groups. At the end of the academic year and partly in response to the first lockdown, there were 55 new pupils scheduled to start in the autumn term 2020. Many of these pupils were transferring from the maintained sector, as a result of the lack of provision for remote learning in these settings.

Teaching and Learning

The school educates and prepares children to meet the standards required to enter the next school most suited to their needs. All pupils at the school gained entry to their first-choice school at 13+ and a good number of pupils secured places at local grammar schools at 11+. Many children leaving the school were awarded scholarships to their next school across a range of disciplines.

The Head Master and Deputy Head appraise all academic staff annually. The focus of these appraisals is linked to the school's strategic plan and departmental development plans.

Key areas under scrutiny include building on the newly devised creative curriculum across the entire school. The increased focus on outdoor learning in EYFS and KS1 was received well by pupils and their parents. The refreshed, more practical, thematic approach in lower KS2 (Years 3 & 4) has meant that staff are more engaged with a wider variety of teaching and learning strategies. The progressive shift away from the Common Entrance (CE) assessment framework at KS3 (Years 7 & 8) has been emphasised by senior schools using their own frameworks alongside increased use of pre-tests at 11+ and 12+. Within the school, a new system of assessment is being rolled out in the foundation subjects (starting with humanities) which applies a range of assessment techniques to ascertain a broad representation of a pupil's progress and attainment.

This academic year, the current Year 7 and 8 cohorts will follow the CE syllabus for core subjects alone (English, maths, sciences and MFL). This will be enriched by additional learning opportunities and set around a broader framework of assessment, which will acknowledge the variety of learning styles amongst the pupil body. In June 2021, therefore, all Year 8 pupils will sit the CE examinations in the core subjects (English, maths and science) and all other subjects will be assessed internally. This decision is in line with the requirements of many of the destination senior schools within the school's frame.

Salisbury Cathedral School Limited (A company limited by guarantee)

GOVERNORS' REPORT *(continued)*

for the year ended 31 August 2020

The governor led Education Committee continues to meet regularly to ensure that the school is delivering the best education to its pupils in line with the school strategy.

National COVID-19 restrictions curtailed the usual varied extra-curricular programme both in terms of the number of clubs offered and opportunities for external visits such as theatre and museum visits along with opportunities to explore the local environment. Greater use of the outdoor learning environment onsite helped to seamlessly join up learning within the curriculum and beyond.

Music

Music got off to a good start in the academic year 2019-20, with school ensembles and choirs flourishing under the guidance of a dedicated team of teachers. Weekly informal concerts gave children the opportunity to perform; sometimes the concerts were for certain instruments, sometimes for house groups, and the intention was to have concerts for year groups in the summer term, but this was thwarted by the onset of COVID 19.

The year 3 children joined a Requiem pilot workshop with musicians from local orchestra, La Folia, where they went to work for an afternoon with children from Woodlands Primary School, and then came together with children from several other maintained schools in the Cathedral, for a joint sing through. Elin Manahan Thomas was one of the musicians leading this session; she gave a personal performance of "Eternal Source of Love Divine" which she had recently performed at the Royal Wedding.

The senior Cathedral choristers sang in the semi-chorus for Britten's St Nicolas, with four junior choristers taking the roles of the Pickled Boys and the young Nicolas. The school's Deputy Head took the part of St Nicolas. It was well received by all, and it highlighted the importance of our pupils performing alongside many other young people from the Salisbury community.

The usual Christmas events took place, including the internationally renowned advent carol service 'Darkness to Light', and a performance of the Messiah, both to a packed cathedral. Three of the senior choristers sang "Walking in the air" in public, live performances of "The Snowman" in the Cathedral. The end of term Chamber Music Concert featured all of our smaller ensembles and was a highlight of the term. Our school Carol Service once again featured some unique and inspiring carols written by the children.

There were numerous successes with music scholarships and exhibitions, with awards won to Warminster, Leehurst, Marlborough, Wells, Oundle, St Swithuns, Clayesmore and Dauntsey's. Music exams were also extremely successful, and we were fortunate to fit in an exam visit in March just before the first lockdown occurred. A relatively new venture involving outreach work in local maintained primary schools called 'Voices InSpire' brought children to the Cathedral for two concerts, one in November and one in March, with around 200 children singing in each concert and enjoying performances from the Cathedral School's Jazz Orchestra 'Jazbytes'. This outreach work has now been on hold for nearly a year, due to COVID, and we hope very much that we will be able to find sponsorship so that we can restart it once it is safe to do so.

In the Lent term, our junior singers joined with the Choristers to sing in a joint Royal School of Church Music evening service. Having been working towards the Spring Concert all term, we were sadly denied the opportunity to perform as schools were closed a week before the end of term. We managed to video some of the performances but it was certainly not the same. One of the highlights of the term was taking our year 1 children to Exeter House School in Salisbury each Friday, to perform some music together and play with the children in Kingfishers class, all of whom are extremely disabled. Watching the children playing together, and making music together, was one of the most moving things imaginable. Boundaries became invisible as the children grew used to each other. Those involved found it very humbling, learning as much about themselves as the other participants. We had a wonderful party together on the last day, and there were tears from both schools when the visits came to an end. We trust we will be able to visit again in the not too distant future.

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GOVERNORS' REPORT *(continued)*

for the year ended 31 August 2020

And so into lockdown, where we all began to learn new skills, in particular how to record yourself singing or playing while listening to a backing track on headphones. Our choristers got into the pattern of sending in one or two pieces a week, which were used in virtual Cathedral Services, and many of the pupils of the school sent in contributions to joint songs: Over the Rainbow, (to thank the NHS), Tomorrow, (for Picnic in the Park), and Christ Triumphant which included 100 singers from the school community and families. Orchestra, Concert Band, and other ensembles (Flutata, Cantamus and Unique Horns) also managed to make remote recordings of a very high quality. We were unable to hold our usual Music Festival or Picnic in the Park, but did remote versions of both events which were entertaining to watch. The community spirit of SCS is personified in these recordings, where our voices sound as though we are together, even though everyone was singing into phones and ipads from their own homes.

We had terribly sad news just before lockdown, one of our piano teachers, lost her long battle with cancer. We haven't been able to say a proper goodbye to her, or to our percussion teacher who died very suddenly at the end of the summer holidays. The void left by these two people is enormous; they are missed every day by their colleagues and pupils.

As mentioned earlier, we will never take live music making for granted again. To be able to strike up your instrument in a room full of your friends, or to sing lustily in the BSR (the School Hall) during a Monday assembly- we were not able to do these things for the last term of 2019-20 and we missed them so much. Let us hope that there will be a return to spontaneous music-making in the future, and to events with a packed audience and the life-affirming sound of applause and laughter.

Drama, Debate and Public Speaking

At Salisbury Cathedral School, we strongly believe that opportunities for involvement in drama must be exciting and inclusive. All year groups are ordinarily involved in drama of some sort during the course of each week, usually as part of their English lessons. This year, only Key Stage were able to put on a major production for parents – the Pre-prep Nativity Play. All other productions were put on hold, due to the pandemic. The Year 7 and 8 production was filmed and therefore, all the pupils' hard work did not go to waste.

Children are encouraged to hone their public speaking and debating skills and whilst we were unable to host our usual competitions, instead the pupils were invited to contribute to an online version instead, which was very well received by all.

Sport and Physical Education

Sport and Physical Education are an integral part of school life at Salisbury Cathedral School, contributing to a well-rounded experience for pupils and playing an especially important role this year in ensuring their physical and mental well-being as we adapt to remote and blended learning.

Our primary aims for the pupils are:

- to teach an understanding of the effects, benefits and importance of regular physical exercise on the body and mind with the ultimate aim that it becomes a lifelong habit;
- to deliver outstanding sporting opportunities for all, for progress and participation, within a happy and nurturing pastoral environment;
- to foster the core values particularly relevant to sport, those of teamwork, resilience, self-discipline, leadership and creativity.

Salisbury Cathedral School Limited (A company limited by guarantee)

GOVERNORS' REPORT *(continued)*

for the year ended 31 August 2020

Provision in the age of COVID conditions

The introduction of remote learning and other restrictions necessitated by the pandemic has resulted in both challenges and opportunities for Sport and Physical Education at SCS. Crucially it highlighted the role of school in providing the motivation and environment in which pupils can experience physical exercise alongside peers and all of the associated benefits that this brings. The curriculum was adapted to meet this need through online teaching and support via the Google Classroom. The online syllabus prioritised the mental and physical wellbeing of pupils through incentives to remain active and ways to connect with the school community. This was done through a combination of whole school challenges and age-specific tasks that included skillwork, research and fitness. When key-worker and, subsequently, Year 6 pupils returned to school, this continued but with the added provision of live, practical PE and Games lessons for those on site - largely cricket, athletics, general ball skills and SAQ.

In the latest lockdown (January 2021) Whole School Workouts on Wednesday and Friday mornings were added to the mix to provide an opportunity for the school to come together in real time online and onsite to do something active.

Provision in a 'normal' year

Our approach is one of inclusivity and progress through pleasure and participation and this is delivered, in normal times, through specialist coaching, beginning in the pre-prep.

Games and PE programmes are well balanced, varied and challenging and include a range of team and individual sports as well as a Functional Movement programme. Ordinarily, the majority of pupils in years 3 to 8 are given the opportunity to represent the school in weekly matches (the minimum is three times a term) and care is taken to arrange competition, wherever possible, that is well-matched. Pupils who show exceptional promise gain opportunities to compete regionally and, on occasion, nationally and SCS enters many independent school tournaments (for example, IAPS, Bryanston netball, Warminster Hockey). Pupils are supported in their county sport aspirations and suitable candidates are encouraged to pursue sport scholarships at secondary schools.

Every other year our senior teams have the opportunity to go on a hockey and rugby sports tour abroad, the most recent one being to Holland in October 2018. This provides pupils with an opportunity to experience the joys of travel and sporting camaraderie at the end of their time at prep school. This year's plans have been postponed to Autumn 2021 at the earliest due to the current COVID restrictions.

A programme to build stronger links within the community through primary outreach to local schools was in its infancy when the first lockdown occurred. SCS hosted a Bee Netball tournament in January with local schools and there were plans to host a cross-country event, cricket workshop and swim galas later in the year, all of which we intend to resume when restrictions are lifted.

The school has 27 acres of land, which consists of an all-weather AstroTurf, a recently refurbished outdoor swimming pool, indoor gymnasium, three cricket pitches, three rugby pitches and a 200m athletics track. Sports staff work hard to provide an environment which enables children to develop personal qualities that will serve them well in life such as resilience, teamwork, leadership, creativity and self-discipline.

Public Benefit and Community Links

Choral Scholarships

The school is part of the Cathedral's foundation and is intrinsically linked to the life of the Cathedral. The Cathedral and associated endowments fund choral scholarships for up to 40 boy and girl chorister and probationer choristers. In the case of financial need the school works very closely with parents to identify and source additional means tested funding. During the year, 28 of the 40 choristers were in receipt of such additional funding. The level of support varied according to need up to 100%. The aspiration, in partnership with the Cathedral, is that all potential choristers who are successful at voice trials ought to be able to take up a place in the choir irrespective of parental means. In order to facilitate this, the school employs the services of an external provider to ensure that each family's circumstances are scrutinised in detail and more objectively.

Salisbury Cathedral School Limited (A company limited by guarantee)

GOVERNORS' REPORT *(continued)*

for the year ended 31 August 2020

Chorister activities

The academic year 2019–2020 has been an unusual one for the Cathedral Choir. Advent and Christmas 2019 were, as usual, highly active periods for the choristers, their work and ministry reaching thousands through the customary Advent and Christmas processions, a broadcast for BBC Wiltshire, collaborations with Salisbury Musical Society and the Cathedral's Junior and Youth Choirs, and the usual busy round of Cathedral services. The Choral Foundation Concerts continued to offer quality performances in aid of the Cathedral's music, including Handel's *Messiah* and Fauré's *Requiem*. In January 2020, the Epiphany Procession featured sections from Bach's *Christmas Oratorio* with distinguished Baroque instrumentalists. The choir continued to serve the wider community through concerts held in churches in the Diocese of Salisbury. Owing to the Covid-19 lockdown in March, the Cathedral's 800th Anniversary celebrations were celebrated online, the choristers taking part in the Salisbury Anthem, a special commission collaborating with the Cathedral and city community. Inevitably, 2020 has been a worrying year for choirs up and down the land, but the Cathedral Choir resumed sung services in time for the start of this current academic year (2020–2021) and has made a strong and encouraging recovery.

Use of Facilities

Two local adult choirs use the school's facilities for rehearsals in the evenings. Bishop Wordsworth Grammar School use our grounds and Astroturf for sporting activities after school hours. The Cathedral's Junior Choir and Youth Choir also regularly rehearse in the school. In addition, the community use our premises for various events throughout the year.

Scholarship Policy

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in music, sport, drama, art or a combination of these. Scholarships are awarded on the basis of candidate's performance and/or potential. In line with our policy, any Scholarships awarded after August 2015 will not have any monetary value associated with them, however award holders are invited to apply for a means tested bursary where required. We advertise the availability of scholarship awards through our social media channels.

During the year, 5 (2019: 8) of the school's pupils were in receipt of a scholarship award which in total represented 0.15% (2019: 0.1%) of our gross fee income. Of this number 1 (2019: 1) was also in receipt of additional means tested remissions.

Policy Review

Governors keep under review the school's Fee Remission policy to inform development of policy and help ensure the objective of wider access is achieved. Our current Fee Remission policy is 8% of Gross Fee Income, to enable more pupils to benefit from means tested support.

Assistance for staff

As part of our emphasis on attracting and retaining high calibre staff we currently offer a discount scheme where staff members choose to educate their children at our school if they meet the criteria in our Fee Remission policy.

Bursaries

This year the value of means tested bursaries totalled over £253,642 (2019: £191,973) and represented 10% of our gross fees (2019: 7.5%). Bursaries provide assistance to 48 (2019: 34) of our non-chorister pupils.

Community Involvement

Links with Bishop Wordsworth's school have continued with the joint use of various sport and music facilities. During school holiday periods, the school's facilities are made available to visiting choirs singing the daily services in the cathedral and, during both term and holiday periods, to various local sports clubs, choirs and other community groups.

Charity support

The school supports various charity endeavours throughout the academic year, although some of the opportunities to do this have been limited due to the pandemic. Each year the school chooses a chosen charity for the year; in the academic year 2019-2020, this was the Stars Appeal. The chosen charity is supported by cake sales, non-uniform days, collections from cathedral assemblies and other events. Additionally, the school supports Children in Need and Comic Relief.

Salisbury Cathedral School Limited (A company limited by guarantee)

GOVERNORS' REPORT *(continued)*

for the year ended 31 August 2020

Fund Raising

No new appeals have been made this year but the school has benefited from the valuable support of the Friends. The Friends of Salisbury Cathedral School provide social and fundraising activities and help build a strong community. This year the Friends have continued to help fund outdoor learning equipment for Pre-Prep, Sports & Play Equipment. The Governors' Development Committee continues to support the SLT in considering options for improving the school's facilities through 'Fund raising' and fund raising. The Committee has actively sought out expertise from amongst the parental body to help guide and advise on prospective projects. The school has moved forward its plans to appoint a Development Officer and it is anticipated that this role will be filled at the start of the new academic year in September 2020.

Principal risks and uncertainties

The impact of the pandemic and the potential for a global recession to create a testing economic climate, means that effective management of the school, focusing on delivering sound business plans, tight cost control and policy is more pertinent than ever. The school must try to moderate fee increase to lower risk of it becoming unaffordable to a greater range of potential parents.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year are set out on page 13 of the financial statements.

The school's total income for the period 1 September 2019 to 31 August 2020 after adjusting for school bursaries and other remissions was £2,785,791 (2019: £2,773,605). School expenditure was £2,629,176 (2019: £2,536,864). This resulted in a surplus before gains on investments of £156,615 (2019: £236,741).

At the end of the year, the net assets of the school were £779,223 (2019: £614,439) out of which £472,005 (2019: £329,104) were represented by unrestricted reserves. Restricted funds amounted to £81,602 (2019: £67,138) and the endowment funds amounted to £225,616 (2019: £218,197).

As a Charity the parents of our pupils have the assurance that all the income of the school must be applied for educational purposes. As an educational Charity we enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied for our charitable aims. As a Charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies. However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are an exempt supplier for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, the contribution of our choirs, our musical and sports outreach and bursary programme create a social asset without cost to the Exchequer.

Going concern

In considering whether the going concern basis is appropriate, the Governors have considered income and expenditure and cash-flow projections prepared for the period to 31 August 2022. These projections have been based on known and expected pupil numbers and costs and indicate that the school will have sufficient cash and reserves to be able to meet its liabilities as they fall due.

In light of the above the Governors have concluded that there are no material uncertainties over the school's ability to continue as a going concern for a period of at least 12 months and as such it is appropriate to use the going concern basis in the preparation of these financial statements.

Developments and Maintenance

The school continues to invest in the maintenance of its fabric and resources, with this year's focus being on general maintenance around the school and on improvements to general teaching rooms in the Bishop's Palace and the other buildings on the kitchen garden site. This has included replacing interactive whiteboard technology and data projectors, with large touchscreen televisions. Enhanced lighting has improved the general appearance of many classrooms, and a comprehensive review of classroom furniture has helped to create a more modern and purposeful feel. Recent investment in the IT infrastructure and hardware (most notably Chromebooks for pupil use) has helpfully coincided with the demands of remote learning during the periods of lockdown.

Salisbury Cathedral School Limited (A company limited by guarantee)

GOVERNORS' REPORT *(continued)*

for the year ended 31 August 2020

Reserves and Financial Health

The Governors regularly review the finances, budgets and spend against budget as part of the effective stewardship of the school.

The surplus for the year has increased the school's unrestricted funds at the year-end to £472,005 (2019: £329,104).

The school holds reserves for a number of purposes, including funding current and future spending on fixed assets, financing the school's working capital and providing a contingency against the risks and uncertainties inherent in running an independent school. The Governors' policy is to hold sufficient reserves to cover these requirements and to spend any surpluses generated by the school on improving its facilities.

Investment policy

Salisbury Cathedral School Limited seeks to achieve steadily growing income and the preservation of its capital assets in real terms. It works within the parameters of the Church of England's ethical investment policy and has its own investment policy reviewed by Governors.

FUTURE PLANS

At the start of the new school year in September 2020 there were 55 new pupils who started at the school. This was significantly higher than in previous years, and largely the result of the educational and pastoral offering to pupils working at home during the first lockdown in March 2020. Since then, there has been a continued trend which has seen parents transferring their children from the maintained to the independent sector, as private education is perceived to provide a more comprehensive offering, with particular emphasis on sport and the creative arts. Another recent trend has been the relocation of families out of London to the provinces, in line with many companies continuing the option of working from home. These factors combined mean that the school's pupil role remains healthy and there is confidence that the school remains a going concern.

The Governors are committed to improving facilities and are working with the Governors' Development Committee in looking at ways in which this can be realistically achieved. The Governors support the school's senior leaders in recognising the importance of having a paid member of school staff helping to run the development office.

The agenda for future capital projects centres on:

- improving facilities for the Early Years Foundation Stage (classrooms and outdoor learning areas);
- improving storage and workspace in the art studio;
- building two new general purpose classrooms for the Prep department;
- expanding facilities for learning support;
- relocating the library to a room currently housing the IT suite;
- improving the front entrance lobby and visitor welcome facilities;
- providing additional lavatories and hospitality space for visitors;
- rationalising administrative office accommodation;
- enhancing safe access to the school grounds (including the lake) for educational study and recreation.

The Governors are in consultation with the Cathedral Chapter to further secure the long term future of the school.

Salisbury Cathedral School Limited (A company limited by guarantee)
GOVERNORS' REPORT *(continued)*
for the year ended 31 August 2020

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Salisbury Cathedral School Limited for the purposes of company law) are responsible for preparing the Governors' Annual 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 these financial statements, the Governors are required to:

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

The Governors 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 the financial statements comply with the Companies Act 2006. The Governors 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.

The Governors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the members of the Governing body have considered how planned activities will contribute to the aims and objectives they have set.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

In accordance with company law, as the company's Governors, we certify that:

- So far as we are aware, there is no relevant audit information of which the school's Auditor is unaware;
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the school's Auditor is aware of that information.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office, and will be proposed for reappointment at the annual general meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

APPROVAL

The report of the Governors was approved and signed on its behalf by:


.....
Dr James Fletcher, Chair of Finance and General Purposes Committee

Date: 28 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALISBURY CATHEDRAL SCHOOL LIMITED (A COMPANY LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Salisbury Cathedral School Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charitable 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Governors' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALISBURY CATHEDRAL SCHOOL LIMITED (A COMPANY LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

In the light of the 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 Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report in preparing the Governors' Report.

Responsibilities of Governors

As explained more fully in the Statement of Governors' responsibilities set out on page 8, the Governors (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 Governors 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 governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Kevin Barwick FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY
Date: 29 June 2021

Salisbury Cathedral School Limited (A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (and statement of income and expenditure)
for the year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Fees receivable	2	2,410,832	-	-	2,410,832	2,507,636
Other educational income	3a	202,779	-	-	202,779	204,841
Other trading activities:						
Investment income	3b	18	2,699	-	2,717	6,385
Rents, lettings and other income		3,886	-	-	3,886	21,044
Donations		8,559	32,015	-	40,574	33,699
Government grants	4	125,003	-	-	125,003	-
Total income		<u>2,751,077</u>	<u>34,714</u>	<u>-</u>	<u>2,785,791</u>	<u>2,773,605</u>
EXPENDITURE ON:						
Charitable activities:						
Teaching costs		1,288,338	-	-	1,288,338	1,310,107
Educational support costs		1,054,344	20,250	750	1,075,344	963,665
Premises		265,494	-	-	265,494	263,092
Total expenditure	5	<u>2,608,176</u>	<u>20,250</u>	<u>750</u>	<u>2,629,176</u>	<u>2,536,864</u>
Gains on investments						
Unrealised gains on investments		-	-	8,169	8,169	14,925
Net income		<u>142,901</u>	<u>14,464</u>	<u>7,419</u>	<u>164,784</u>	<u>251,666</u>
Net movement in funds		<u>142,901</u>	<u>14,464</u>	<u>7,419</u>	<u>164,784</u>	<u>251,666</u>
Funds brought forward at 1 September 2019		<u>329,104</u>	<u>67,138</u>	<u>218,197</u>	<u>614,439</u>	<u>362,773</u>
Fund carried forward at 31 August 2020		<u><u>472,005</u></u>	<u><u>81,602</u></u>	<u><u>225,616</u></u>	<u><u>779,223</u></u>	<u><u>614,439</u></u>

All income and expenditure arises from the charity's continuing activities. The notes on pages 16 to 31 form part of these financial statements.

Salisbury Cathedral School Limited (A company limited by guarantee)
BALANCE SHEET
as at 31 August 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	8	29,656	-
Tangible assets	9	94,809	101,320
Investments	10	226,466	218,297
		<u>350,931</u>	<u>319,617</u>
CURRENT ASSETS			
Stock	12	29,240	26,122
Debtors	13	192,288	151,436
Cash at bank and in hand		717,181	554,797
		<u>938,709</u>	<u>732,355</u>
CREDITORS: Amounts falling due within one year	14	(458,002)	(388,540)
NET CURRENT ASSETS		<u>480,707</u>	<u>343,815</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>831,638</u>	<u>663,432</u>
CREDITORS: Amounts falling due after more than one year	15	(52,415)	(48,993)
NET ASSETS		<u>779,223</u>	<u>614,439</u>
Representing:			
ENDOWED FUNDS	17	225,616	218,197
RESTRICTED FUNDS	18	81,602	67,138
UNRESTRICTED FUNDS			
General Fund		472,005	329,104
TOTAL FUNDS	19	<u>779,223</u>	<u>614,439</u>

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006. The financial statements were approved and authorised for issue by the Board of Governors on 28 June 2021 and signed on its behalf by:


.....
Dr James Fletcher, Governor


.....
Mrs J Munro-Higgs, Chair of Governors

Salisbury Cathedral School Limited (A company limited by guarantee)
STATEMENT OF CASH FLOWS
for the year ended 31 August 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	208,230	98,172
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(17,025)	(1,040)
Purchase of intangible fixed assets		(31,538)	-
Interest received		18	27
Dividends received		2,699	6,358
Proceeds on sale of tangible assets		-	160
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(45,846)	5,505
INCREASE IN CASH IN THE YEAR		162,384	103,677
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER		554,797	451,120
CASH AND CASH EQUIVALENTS AT 31 AUGUST		717,181	554,797

Salisbury Cathedral School Limited (A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

1 ACCOUNTING POLICIES

GENERAL INFORMATION

Salisbury Cathedral School Limited is a private charitable company limited by guarantee, incorporated and registered in England and Wales.

The address of the charitable company's registered office and principal place of business is 1 The Close, Salisbury, Wiltshire, SP1 2EQ.

The company's principal activities are disclosed in the Governor's Report.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and under the historical cost convention, with the exception of investments which are included at market value. In accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP) (as amended for accounting periods commencing from 1 January 2019) and the requirements of the Companies Act 2006.

Salisbury Cathedral School Limited meets the definition under FRS102 of a public benefit entity.

These financial statements are prepared in sterling which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

GOING CONCERN

In considering whether the going concern basis is appropriate, the Governors have considered income and expenditure and cash-flow projections prepared for the period to 31 August 2022. These projections have been based on known and expected pupil numbers and costs and indicate that the school will have sufficient cash and reserves to be able to meet its liabilities as they fall due.

In light of the above the Governors have concluded that there are no material uncertainties over the school's ability to continue as a going concern for a period of at least 12 months and as such it is appropriate to use the going concern basis in the preparation of these financial statements.

INTANGIBLE FIXED ASSETS

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Computer software	20% straight line basis
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TANGIBLE FIXED ASSETS

Motor vehicles, major items of office equipment and major property improvements have been capitalised and are being depreciated over their estimated useful economic lives. Routine repairs to properties are written off in the year of acquisition, because it is not considered that they have any recoverable value. Fixed assets are initially recorded at cost. Items costing less than £3,000 are written off as an expense as acquired.

The following rates of depreciation are used:

Motor vehicles	20% straight line basis
Furniture and office equipment	10% - 33% straight line basis
Property improvements	10% straight line basis

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

1 ACCOUNTING POLICIES (*continued*)

STOCKS

Stocks are stated at the lower of direct cost or net realisable value. Stocks comprise of catering raw material and consumables and uniform stock. Provisions are made for obsolete stock.

INVESTMENTS AND INVESTMENT INCOME

Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities. Investment income is accounted for in the period in which the charity is entitled to receipt.

CONSOLIDATED FINANCIAL STATEMENTS

The charitable company has taken advantage of the exemption in section 402 of the Companies Act from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the charitable company as a single entity.

OPERATING LEASES

The rent payable under the leases for the school buildings, Boarding House and grounds are related to the level of the fees, and is charged as expenditure in the period to which it relates. Rent payable under other operating leases is charged as expenditure on a straight line basis over the lease terms.

Due to rent payable being based upon a multiple of fees, commitments included within note 22 have been calculated on the basis of a fee increase of 2.7% pa, the average increase across the previous 3 years.

FEES AND SIMILAR INCOME

Fees receivable and charges for services are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its restricted funds.

DONATIONS AND FUND ACCOUNTING

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction. Designated funds are those allocated to specific projects out of unrestricted funds, in accordance with Governors' decisions.

EXPENDITURE

Expenditure is allocated to the charity's principal activity where the costs can be identified as being directly related to that activity. All costs that cannot be identified as relating directly to the charity's principal activity are categorised as either support costs or governance costs and are allocated based upon a suitable ratio applicable to the nature of the cost involved. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity including strategic planning for its future development and external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

1 ACCOUNTING POLICIES (*continued*)

PENSION COSTS

Contributions to the Teachers' Pension Scheme and to the defined contribution schemes operated on behalf of other staff are charged as expenditure in the period to which they relate.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and, other short-term liquid investments with original maturities of three months or less.

ACCEPTANCE DEPOSITS

Acceptance deposits are paid to the school to secure a place for the child at the school. Deposits held form part of the general funds of the school until the child leaves the school at which point they are credited without interest to the final payment of the fees or other sums due to the school. Deposits are held as creditors on the balance sheet and are classified as owing within one year and over one year based on when they are expected to be credited against income.

FINANCIAL INSTRUMENTS

The charitable 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 listed investments which are subsequently measured at fair value.

FINANCIAL ASSETS

Fees and other debtors which are receivable within one year are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

FINANCIAL LIABILITIES

Creditors and provisions are recognised when the charitable company has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

TERMINATION BENEFITS

Termination benefits are recognised immediately as an expense when the charitable company has demonstrably committed to terminating the employment of an employee or to provide termination benefits.

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

1 ACCOUNTING POLICIES (continued)

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Salisbury Cathedral School Limited received a discretionary cash grant of £125,003 from the government as part of the Coronavirus job retention scheme (CJRS). The CJRS compensates employers for 80% of employees wages up to the value of £2,500 per month, as well as the associated national insurance contributions (NICs) and employer pension contributions of employees placed on furlough. Furlough is the temporary leave of absence of an employee from working for their employer. The grant is conditional upon the employees remaining employed and on the company PAYE payroll, and the employee not completing any work for their employer which makes money or the provision services for their employer or any company associated with their employer. There are no unfulfilled conditions or contingencies attached to the grant, and the company did not receive any other forms of government assistance.

2 FEES RECEIVABLE

	2020 £	2019 £
Gross fees receivable	2,907,354	2,862,839
Less:		
Allowances	(4,043)	(10,983)
Means tested bursaries	(253,642)	(191,973)
Scholarships	(147,233)	(152,247)
Discounts	(91,604)	-
	<u>2,410,832</u>	<u>2,507,636</u>

The income from fees receivable was £2,410,832 (2019: £2,507,636) of which £2,410,832 (2019: £2,507,636) was unrestricted.

3 (a) OTHER EDUCATIONAL INCOME

	2020 £	2019 £
Reimbursements:		
Chorister Holidays	49,386	45,000
Sundry Income	25,957	9,389
	<u>75,343</u>	<u>54,389</u>
Recoverable extras and related income	97,737	117,633
Registration fees	8,950	3,770
Uniform Shop income	20,749	29,049
	<u>127,436</u>	<u>150,452</u>
	<u>202,779</u>	<u>204,841</u>

The income from other educational activities was £202,779 (2019: £204,841) of which £202,779 (2019: £204,841) was unrestricted.

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

3 (b) INVESTMENT INCOME

	2020 £	2019 £
Bank interest received	18	27
Dividend income	2,699	6,358
	<u>2,717</u>	<u>6,385</u>

The income from investments was £2,717 (2019: £6,385) of which £18 (2019: £27) was unrestricted and £2,699 (2019: £6,358) was restricted.

4 GOVERNMENT GRANTS

	2020 £	2019 £
Coronavirus job retention scheme grant	125,003	-
	<u>125,003</u>	<u>-</u>

Salisbury Cathedral School Limited furloughed a number of staff under the Government's Coronavirus job retention scheme (CJRS). The income from the Coronavirus job retention scheme (CJRS) was £125,003 (2019: £nil) of which £125,003 (2019: £nil) was unrestricted. The income received relates to staff costs in respect of the staff who were furloughed.

5 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Depreciation and amortisation £	Other costs £	Total 2020 £	Total 2019 £
Charitable expenditure:					
Teaching costs	1,213,196	-	75,142	1,288,338	1,310,107
Educational support costs:					
Staff training & recruitment	25,246	-	-	25,246	10,665
Household expenses	184,222	-	110,632	294,854	327,367
Property and grounds	56,727	-	67,488	124,215	136,472
Other school running costs	344,464	-	212,902	557,366	427,490
Marketing costs	-	-	34,736	34,736	43,590
Loss/(profit) on disposal of fixed assets	-	-	5,371	5,371	(160)
Premises	-	20,047	245,447	265,494	263,092
Governance costs	-	-	33,556	33,556	18,241
	<u>1,823,855</u>	<u>20,047</u>	<u>785,274</u>	<u>2,629,176</u>	<u>2,536,864</u>

The expenditure on charitable activities was £2,629,176 (2019: £2,536,864) of which £2,608,176 (2019: £2,522,421) was unrestricted, £20,250 (2019: £14,443) was restricted and £750 (2019: £nil) was from the endowment funds.

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

6 STAFF COSTS

	2020 £	2019 £
Wages and salaries	1,445,799	1,470,938
Social security costs	115,310	120,984
Pension costs	210,830	162,164
	<u>1,771,939</u>	<u>1,754,086</u>

Included in staff costs are termination payments totalling £7,263 (2019: £20,660) paid to 1 (2019: 2) individuals.

	2020 Number	2019 Number
The average numbers of employees, analysed by function, were:		
Teaching	45	39
Household	14	14
Maintenance	2	3
Administration	12	9
Other	1	1
	<u>74</u>	<u>66</u>

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2020 Number	2019 Number
£60,000-£70,000	<u>1</u>	<u>1</u>

Contributions to Teachers' Pensions were made in respect of these employees of £19,320 (2019: £11,036).

The Governors have not received remuneration for their services in either year. No Governors were reimbursed any travel or expenses in either year.

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2020 £	2019 £
Aggregate compensation (including employer's NI)	<u>287,139</u>	<u>281,312</u>

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

7 EXPENDITURE

	2020	2019
	£	£
Charitable activities expenditure includes:		
Operating lease charges – Building & land	143,559	131,282
Operating lease charges - Other	11,547	18,526
Depreciation and amortisation	20,047	24,010
Loss on disposal of fixed assets	5,371	-
Governance costs include:		
Auditor's remuneration:		
Audit services	13,000	10,500
Other services	4,000	3,885

8 INTANGIBLE FIXED ASSETS

	Computer software	Total
	£	£
COST		
At 1 September 2019	-	-
Additions – separately acquired	31,538	31,538
At 31 August 2020	31,538	31,538
AMORTISATION		
At 1 September 2019	-	-
Charge for the year	1,882	1,882
At 31 August 2020	1,882	1,882
NET BOOK VALUE		
At 31 August 2020	29,656	29,656
At 31 August 2019	-	-

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

9 TANGIBLE FIXED ASSETS

	Property improvements	Motor vehicles	Furniture and equipment	Total
	£	£	£	£
COST				
At 1 September 2019	504,930	51,339	241,349	797,618
Additions	-	-	17,025	17,025
Disposals	(7,006)	-	-	(7,006)
At 31 August 2020	497,924	51,339	258,374	807,637
DEPRECIATION				
At 1 September 2019	421,114	51,339	223,845	696,298
Charge for the year	10,712	-	7,453	18,165
Elimination on disposal	(1,635)	-	-	(1,635)
At 31 August 2020	430,191	51,339	231,298	712,828
NET BOOK VALUE				
At 31 August 2020	67,733	-	27,076	94,809
At 31 August 2019	83,816	-	17,504	101,320

10 (a) INVESTMENTS IN FUNDS

	Common Investment Funds £
Market value at 1 September 2019	218,197
Gain on revaluation	8,169
Market value at 31 August 2020	226,366
Cost at 31 August 2020	104,141
Cost at 31 August 2019	104,141
The holdings in charitable common investment funds consist of:	
	2020 £
	2019 £
CBF Church of England Investment Fund	11,584
Units	11,584
Value	226,366
	218,197

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

10 (b) INVESTMENTS IN SUBSIDIARIES

	2020 £	2019 £
Investments in subsidiaries	100	100
Movement in fixed asset investments		Shares in group undertakings
Cost		£
At 1 September 2019 and 31 August 2020		100
Carrying amount		
At 31 August 2019 and 31 August 2020		100

11 SUBSIDIARIES

These financial statements are separate company financial statements for Salisbury Cathedral School Limited.

Details of the company's subsidiaries at 31 August 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shareholding	% Held Direct
Salisbury Cathedral School Enterprises Limited	a)	Dormant	Ordinary	100.00
a) 1 The Close, Salisbury, Wiltshire, SP1 2EQ				

12 STOCK

	2020 £	2019 £
Uniform	29,050	25,533
Food	190	589
	29,240	26,122

13 DEBTORS

	2020 £	2019 £
Fees	125,719	62,603
Prepayments and accrued income	66,569	88,833
	192,288	151,436

Salisbury Cathedral School Limited (A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Fees received in advance	285,369	235,193
Trade creditors	45,541	40,339
Amounts owed to subsidiary	100	100
Other taxation and social security	26,618	28,906
Refundable deposits	8,828	10,550
Accruals and deferred income	28,463	46,766
Other creditors	63,083	26,686
	<u>485,002</u>	<u>388,540</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Refundable deposits	52,415	48,993
	<u>52,415</u>	<u>48,993</u>

16 FINANCIAL INSTRUMENTS

	2020 £	2019 £
CARRYING AMOUNT OF FINANCIAL ASSETS		
Financial assets measured at fair value through profit and loss	<u>226,366</u>	<u>218,197</u>

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17 ENDOWMENTS

	Movement in funds				Balance at 31 August 2020 £
	Balance at 1 September 2019 £	Expenditure £	Gains £	Transfers to other funds £	
Scholarship funds	169,976	(750)	6,364	-	175,590
Windsor Prize Fund	15,483	-	580	-	16,063
Fitzgerald Scholarship Trust	13,732	-	514	-	14,246
Head Master's Fund	19,006	-	711	-	19,717
	<u>218,197</u>	<u>(750)</u>	<u>8,169</u>	<u>-</u>	<u>225,616</u>
	Balance at 1 September 2018 £	Expenditure £	Gains £	Transfers to other funds £	Balance at 31 August 2019 £
Scholarship funds	158,351	-	11,625	-	169,976
Windsor Prize Fund	14,667	-	816	-	15,483
Fitzgerald Scholarship Trust	12,792	-	940	-	13,732
Head Master's Fund	17,462	-	1,544	-	19,006
	<u>203,272</u>	<u>-</u>	<u>14,925</u>	<u>-</u>	<u>218,197</u>

The above gains consist of revaluations in investment assets.

The Endowment Funds are represented by fixed asset investments. The income of all the funds must be used for restricted purposes as explained in note 18.

18 RESTRICTED FUNDS

(a) Usage of funds	Movement in funds				Balance at 31 August 2020 £
	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	
Scholarship funds	29,769	1,252	-	-	31,021
Windsor Prize Fund	1,308	570	-	-	1,878
Fitzgerald Scholarship Trust	4,684	412	-	-	5,096
Head Master's Fund	3,706	465	-	-	4,171
John Robinson Fund	2,030	138	-	-	2,168
Ouseley Trust	15,417	18,000	(12,000)	-	21,417
Tindall Trust	3,000	13,427	(8,250)	-	8,177
Hardship bursary	-	450	-	-	450
Other	7,224	-	-	-	7,224
	<u>67,138</u>	<u>34,714</u>	<u>(20,250)</u>	<u>-</u>	<u>81,602</u>

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18 RESTRICTED FUNDS (*continued*)

(a)	Usage of funds	Movement in funds				Balance at 31 August 2019 £
		Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	
	Scholarship funds	24,816	4,953	-	-	29,769
	Windsor Prize Fund	857	451	-	-	1,308
	Fitzgerald Scholarship Trust	4,284	400	-	-	4,684
	Head Master's Fund	3,152	554	-	-	3,706
	John Robinson Fund	1,948	82	-	-	2,030
	Ouseley Trust	1,417	14,000	-	-	15,417
	Tindall Trust	1,500	9,000	(7,500)	-	3,000
	Other	5,000	9,167	(6,943)	-	7,224
		<u>42,974</u>	<u>38,607</u>	<u>(14,443)</u>	<u>-</u>	<u>67,138</u>

(b) Usage of funds

Scholarship funds

The income from the endowments of these funds is to provide particular academic and music scholarships to pupils at the Cathedral School.

Head Master's Fund

This fund may be spent at the Head Master's discretion for the benefit of the Cathedral School or its pupils.

Windsor Prize Fund

This fund was set up to provide two annual prizes for musical ability, one to a chorister the other to a non-chorister. The prize has been awarded against fees due.

John Robinson Memorial Fund

This fund was donated by the Sarum Voices committee to assist a new probationer/chorister, who might otherwise be financially challenged, to have instrumental lessons for one year.

Ouseley Trust Fund

This fund was set up to provide funding to named choristers.

Tindall Trust

This fund was set up to support the music department's outreach work.

Hardship Bursary

This fund was set up to assist individuals who were in financial difficulties, particularly due to the impact of COVID-19.

Other restricted funds

This fund was donated by a parent of an ex-student to be used, at the discretion of the school, to help other families in need of financial assistance.

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19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by the following net assets:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Intangible fixed assets	29,656	-	-	29,656
Tangible fixed assets	94,809	-	-	94,809
Investments	100	-	226,366	226,466
Current assets	857,857	81,602	(750)	938,709
Current liabilities	(458,002)	-	-	(458,002)
Long term liabilities	(52,415)	-	-	(52,415)
	<u>472,005</u>	<u>81,602</u>	<u>225,616</u>	<u>779,223</u>

Fund balances at 31 August 2019 are represented by the following net assets:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Tangible fixed assets	101,320	-	-	101,320
Investments	100	-	218,197	218,297
Current assets	665,217	67,138	-	732,355
Current liabilities	(388,540)	-	-	(388,540)
Long term liabilities	(48,993)	-	-	(48,993)
	<u>329,104</u>	<u>67,138</u>	<u>218,197</u>	<u>614,439</u>

20 PENSIONS

The school previously participated in the Teachers' Pension Scheme ("England and Wales") ("the TPS") for its teaching staff.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

The pension charge for the year includes contributions payable to the TPS of £62,242 (2019: £138,716) and at the year-end £nil (2019: £1,042) was payable and included within creditors.

Teachers' Pension Scheme

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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20 PENSIONS (*continued*)

Valuation of the Teachers' Pension Scheme

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Royal London Pension Fund

The School operates a defined contribution scheme with Royal London for its teaching staff.

The pension charge for the year includes contributions payable to the scheme of £127,249 (2019: £nil) and at the year-end £11,425 (2019: £nil) was payable and included within creditors.

Support Staff Pension Fund

The School operates a defined contribution scheme. Total employer contributions for the year were £19,338 (2019: £26,949).

The total pension contributions outstanding at 31 August 2020 amounted to £2,629 (2019: £4,531).

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21 COMMITMENTS

At the reporting date, the total of the school's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Leases which expire:		
Within one year	158,102	155,106
In one to five years	345,433	484,547
	<u>503,535</u>	<u>639,653</u>

22 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of net income to net cash inflow from operating activities:

	2020	2019
	£	£
Net income	164,784	251,666
Depreciation of tangible assets	18,165	24,010
Amortisation of intangible assets	1,882	-
Loss/(profit) on disposal of fixed asset	5,371	(160)
Revaluation of investments	(8,169)	(14,925)
Interest received	(18)	(27)
Dividends received	(2,699)	(6,358)
(Increase)/decrease in stocks	(3,118)	3,646
(Increase) in debtors	(40,852)	(40,247)
Increase/(decrease) in creditors	72,884	(119,433)
Net cash inflow from operating activities	<u>208,230</u>	<u>98,172</u>

Analysis of changes in net funds

	At 1 September 2019	Cash flow	At 31 August 2020
	£	£	£
Cash in hand, and at bank	<u>554,797</u>	<u>162,384</u>	<u>717,181</u>

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23 **TRANSACTIONS WITH RELATED PARTIES**

(a) Transactions with the Member

The School's land and buildings are leased from The Cathedral Church of the Blessed Virgin Mary of Salisbury and from trusts managed and controlled by them. The rent payable during the year ended 31 August 2020 was £112,667 (2019: £120,292).

The Cathedral Church of the Blessed Virgin Mary of Salisbury reimbursed expenses incurred by the School for administering the choirs and accommodating them during school holidays at a cost of £49,386 (2019: £45,000). The Cathedral also made contributions to school fees of £288,518 (2019: £182,004).

No amounts were outstanding at the year end (2019: £nil).

(b) Transactions with Governors

Christine Cooper School Uniform, a company owned by a Governor of the school, made sales to Salisbury Cathedral School in the year of £3,086 (2019: £2,590). At the year end no amounts were outstanding (2019: £nil).

Total donations received from Governors during the year amounted to £nil (2019: £6,500). No amounts were outstanding at the year end (2019: £nil).

(c) Transactions with Subsidiary Company

At the balance sheet date, the charity owed Salisbury Cathedral School Enterprises Limited £100 (2019: £100).