

Charity Registration No. 1103522

Company Registration No. 05091977 (England and Wales)

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2021

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

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THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Mr G C Lloyd, FCA, CPFA (Chairman)
Mrs K Bates, LPQH, Cert. Ed
Mr M R Havard, BSc, Econ (Hons) (Vice Chair)
Mr J F Holmes, BSc (Hons), FCA
Professor P J Knowles, BA, PhD
Mr P R Lacey, MA
Mrs J E Newley, MA, Cert. Ed
Mr J C Rawlins, FRICS, MRAC
Mrs C F Wood, BSc (Hons)

Provost

The Revd Canon B D Clover, MA, FRSA, LTCL

Secretary

Mr R A Leek

Charity No.

1103522

Company No.

05091977

Principal Address and Registered Office

The Cathedral School, Cardiff Road, Llandaff,
Cardiff, CF5 2YH

Key Management Personnel

Head

Mrs C V Sherwood, MA (Hons Cantab)

Bursar

Mr R A Leek

Auditors

RSM UK Audit LLP
Hartwell House, 55-61 Victoria Street, Bristol, BS1
6AD

Bankers

Barclays PLC, 6th Floor, 5 Callaghan Square,
Cardiff, CF10 5BT

Solicitors

Veale Wasbrough Vizards, Narrow Quay House,
Narrow Quay, Bristol, BS1 4QA

Geldards LLP, 4 Capital Quarter, Tyndall Street,
Cardiff, CF10 4BZ

Insurance Brokers

Marsh, 1 Tower Place West, Tower Place, London,
EC3R 5BU

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DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

The Directors present their report and financial statements for the year ended 31st August 2021 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1103522. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

Note 28 provides details of connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 29 March 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The Governors are the directors and charitable trustees of the company and comprise the governing body of The Cathedral School and are elected to hold office for five years. The governing body met three times during the year. Reference to directors, governors and trustees are interchangeable throughout these accounts.

Recruitment and Training of Governors

All Governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Corporation Board. Governors are recruited on the basis of nominations from School contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new Governors on the basis of background, competence, specialist skills and, Christian commitment. Governors are provided with induction training by the Head, Bursar and staff and a wider programme of training events is organised by the Woodard Corporation.

Where possible the Governors consider that the skills and experience of the governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with estates management experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.
- An Anglican Ordained Minister.

One Governor may have one or more of these skills.

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Volunteers

Governors are volunteers providing their time for free to support the governance of the School. The School also relies on a number of others to undertake volunteer roles including fundraising events via 'The Friends of the Cathedral School' group. Parents of infant aged children also assist with School trips and visits.

Organisational Management

The School is governed by the Governing body which delegates work to a number of committees. Membership of each committee is outlined on page 15. The Governors determine the general policy of the company.

Finance Committee – the Finance Committee has a remit to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. It makes recommendations to the governing body for approval. The Finance Committee met three times during the year.

Estates Committee – the Estates Committee develops the School's estates strategy, including capital developments and maintenance of the buildings and it makes recommendations to the governing body. It met three times during the year.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the School and educational policy, making recommendations to the governing body. It met four times during the year.

Remuneration Committee - the Remuneration Committee makes recommendations to the governing body regarding the remuneration of the Head and the Bursar. It also considers the overall staff salary increases and makes recommendations to the Finance Committee. It met twice during the year.

Risk Management Committee – the Risk Management Committee sets and reviews the Risk Management Register on an annual basis. The committee consists of the full board and meets once a year.

The day to day management of the company is delegated to the Head and the Bursar as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non-teaching support staff. The Head and Bursar are invited to attend Governors' meetings.

The remuneration of key management personnel is set by the governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent Schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The School aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

School Structure and Relationships

The School has developed links with a wide range of organisations to ensure the widest possible access to our facilities and Schooling. Through membership of the family of Woodard Schools, Headmasters' and Headmistresses' Conference (HMC), Independent Association of Preparatory Schools (IAPS), the Choir Schools Association (CSA), Society of Heads and through networking with peer groups we ensure

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that we are able to attain the highest standards of quality and performance. We encourage pupils to develop awareness of the social context of the all-round education they receive at the School and they are encouraged in a number of activities to enhance their understanding. We have a growing alumni group, the Old Llandavians. A committee of parents and staff form 'The Friends of the Cathedral School' and are generous in supporting the work of the School, which is greatly appreciated. We also cooperate with charities and local Primary Schools in our ongoing endeavours to widen public access to the Schooling we can provide, to optimise the educational use of our culture and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

Intended impact

Woodard Schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole School community particularised in the ministry of the Chaplain.

Aims

The Cathedral School is a day School for pupils from the ages of 3 to 18. It aims to support children in reaching their potential in all areas of their activity at the School, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. The School produces 'well rounded' individuals who are able to make a positive contribution to society. All Woodard Schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of The Cathedral School to fulfil these aims focus around the following 5 ethos statements:

- Achievement – recognizing that all young people have a unique set of skills and enabling all pupils to fulfil their potential
- Care – to enable an inclusive community in our Christian environment supporting spiritual growth, understanding, respect and empathy for all
- Opportunity – Every teaching & learning opportunity to enable the child to flourish
- Ambition – Aiming high in all aspects of School life – with no-one left behind
- Leadership – Planning effectively & working together to inspire others and achieve a shared purpose

Strategies to achieve the primary objectives

The strategies this year were principally focused on mitigating the impact of Covid-19 on our pupils.

In terms of academic achievement, we fully embraced MS Teams as our virtual learning environment. From Years 5-13, all lessons were taught live on Teams when pupils were absent through Schools closures or self isolation with younger pupils having a mixture of live and recorded lessons. As a result, very little academic content was missed, leading to outstanding public examination results.

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Pastoral care became even more significant as a result of lockdown and our strategies focused on providing individual care for those who needed it as well as identifying opportunities for older pupils to take on peer mentoring roles. A role was created in the Senior section creating additional time for supporting vulnerable pupils and staff well-being was also supported with regular drop-in sessions. Two more members of staff were trained in mental first aid with 14 students trained as well-being ambassadors. Additionally, we set up a student led anti-discrimination group which focused on peer to peer education on issues such as racial justice and LGBTQ+ support.

Plans were put in place to ensure that both pupils and staff had access to "down-time" by re-writing the Schools' co-curricular programme.

Care for the environment was also an important part of our overall strategy with a new "climate change" committee in place with a clear remit to identify ambitious targets for the School.

In terms of opportunity, we are determined to ensure that Covid-19 has as minimal an impact as possible on co-curricular opportunities. We set up two new "music marquees" to allow instrumental groups to rehearse in the fresh air and extended the cricket season into September and starting again the following March to allow all pupils, male and female to have sporting opportunities. We also played regular intra School fixtures to support pupil health and well-being. New Inter-House competitions such as virtual Eisteddfod and House chess strengthened the sense of community.

Boy and Girl Choristers were also put on an equal footing when plans were realised to enable the Cathedral to take musical responsibility for the girl choristers at the end of the summer term.

In addition to providing new leadership opportunities to younger pupils by widening the Primary prefect team, we continued to strengthen our training programme by providing training in unconscious bias to all senior teachers and enabling a wider group of teachers to become appraisers.

Principal Activities of the Year

The principal activity of the School is the delivery of education to pupils ranging from 3 to 18 years of age. We also run a number of summer School activities and the School is open at other times for use by the local community. Pupil numbers at the School during the year were as follows:

	2020/2021		2019/2020	
Senior School	460		467	
Preparatory School	179		178	
Pre-Preparatory School	157		155	
Total	<u>796</u>		<u>800</u>	

	2020/2021		2019/2020	
	Boys	Girls	Boys	Girls
Senior School	289	171	296	171
Preparatory School	114	65	115	63
Pre-Preparatory School	103	54	98	57
Total	<u>506</u>	<u>290</u>	<u>509</u>	<u>291</u>

Public Benefit

As part of our primary objectives, the School aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community.

In terms of public benefit, we also recognise the benefit to the community of the School educating circa 800 pupils at no cost to the public purse. The Cathedral School provides boy and girl Choristers to sing

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services in Llandaff Cathedral, greatly enhancing the spiritual, musical and cultural lives of the City of Cardiff and the Diocese of Llandaff. In the past academic year, even given the restrictions due to the Covid-19 pandemic, the Choristers sang at the Christmas services and re-started again in the Summer term, providing a vital support to community well-being.

In the furtherance of these aims, The Cathedral School Governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our School is part of a wider community and we are keen that our links with the community remain strong. Even given the constraints of the pandemic, we supported Llandaff Diocese in their partnership work on *Taith Advent* and in our work towards becoming a School of sanctuary. The activities undertaken and the success of our programme are explained in the 'review of achievements and performance for the year' section of this report

Woodard and its Schools provide a significant benefit to the public. The School strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the School provides a wide range of opportunities for community benefit and facilities and events are often open to all.

Concessions Including Bursaries & Scholarships

Our School does not have an endowment and in funding our concessions we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. Further details of our concessions policies and how to apply are available on our website at www.cathedral-school.co.uk.

All criteria and policies relating to concessions are kept under review and are updated when necessary.

Bursaries

Bursary awards are important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the School.

This year the value of means tested bursaries totalled £210,025 (£192,747 – 2020) and represented 2.2% of our gross fees. They provided assistance to 31 of our pupils of whom 2 pupils benefited from a full remission of fees.

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor.

The School awarded scholarships to 138 pupils, based on their educational merit and potential, totalling £178,015 (£195,562 – 2020) and representing 1.8% of our gross fees. Of this number, 16 also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

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The Cathedral School provides the Choristers to Llandaff Cathedral and in so doing subsidises their fees via Chorister scholarships. The Scholarships ranges from 20% to 66% remission of fees. This year the value of Chorister Scholarships totalled £205,170 (£199,222 – 2019) and represented 2.1% of our gross fees. We supported 40 Choristers during the year.

The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Impact of Coronavirus Pandemic

These accounts relate to the year to 31st August 2021, and therefore reflect the heavy financial and operational impact on the education sector, and all of society, of the Coronavirus pandemic. Schools were ordered to close to all except the children of 'Key Workers' in March 2020 and much of the education was moved online. The Cathedral School adapted well to provision of online learning and the responses from parents were positive. Pupil numbers returning to The Cathedral School in September 2020 were extremely positive, at least in part due to the success with which the School had moved to online provision. To ensure that physical activity was not overlooked The Cathedral School continued to run before and after School gym sessions for specific year groups and worked with national bodies including Hockey Wales and the Cricket Wales to develop safety standards in which our pupils could play. We set up an online running club in which regular challenges were set (such as running the distance from Cardiff to Canberra) which were enormously successful.

The financial impact on The Cathedral School has been challenging and the School used all of the tools provided by government to make sure that education provision could continue, including accessing the Coronavirus Job Retention Scheme (Furlough), whilst ensuring that fees reflected the work being undertaken and education provided. The Cathedral School cut fees for the summer term by 5%. This was done to take account of the often severe disruption in teaching provision, and in recognition of financial pressures on parents. We also took the decision not to raise the level of fees for 2020-21.

School Performance and Achievements

Schools were ordered to close at regular intervals throughout 2020-21, significantly with the October "fire-breaker" and for the vast majority of the Lent Term. We continued to offer in School places to children of key workers aged 3 to 14, as well as older pupils who have needed the additional support of being in School. In terms of online learning, all lessons were taught live for Years 5-13. In addition all pupils had daily check ins with their tutors and work was marked and returned through our virtual learning environment. We provided laptops for pupils and staff who needed them and made sure that everything that made our School special – assemblies, cathedral services, sports practices and musical opportunities were included as well. We also had to manage the impact of increasing pupil numbers on site (all nursery pupils and then increasing number of primary pupils throughout the Lent Term) with continuing to support education at home for other pupils.

Schools fees were maintained at 2019-20 levels for the academic year 2020-21. Despite some concerns, parents were enormously supportive of the School with 97% of parents stating that they were satisfied with the School's overall performance, with 75% of those being very or completely satisfied, following our survey in May 2021.

The impact of the pandemic has been to raise the level of uncertainty and risk for the whole education sector. The impact on the financial results for the year to 31st August 2021 has been significant but

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this has been mitigated as much as possible through restriction on spend, where this has not had an impact on the day to day running of the School, together with delaying large scale capital projects.

Our School continues to be highly regarded and we still have waiting lists for all year groups between Year 4 and Year 9. Since our return in the summer term 2021, we have followed the Welsh government's "business as usual" approach whilst remaining key risk mitigation measures such as masks in classrooms and reduced numbers in co-curricular activities. It remains to be seen how much this will impact financial results for forthcoming years.

The Promotion of Education

During the year we educated an average of 796 children between the ages of 3 and 18. The School provides a very high standard of education and this is validated in review of the academic results, our measurements of added value and through external inspection. The School offers a broad curriculum and, to enter our Primary section, no academic test is required. External pupils must pass a test to enter at Year 7. We can demonstrate particular excellence in our academic results but also in our commitment to the whole person, seen in music, drama, art, sport and our very high participation rates in the Duke of Edinburgh Award Scheme.

Academic Results

The School is incredibly proud of the outstanding results achieved by this year's A Level cohort despite both having dealt with a term of lockdown during both Year 12 and Year 13. Continuing its track record for excellence, the School's Year 13 students achieved 47.49% of all grades at A* and 85% at A*-A, securing places at the most competitive universities. The overall pass rate was 100%. Students progressed to the most selective and sought after universities, including Oxford, Imperial College London, Bristol, Cardiff, Bath, Exeter and Nottingham.

At GCSE, our Year 11 students sat their assessments and achieved 68% of all grades at 9/8 and 95% of all grades at 9-6. The most common grade was 9. A record number of students entered our Sixth Form in Year 12 following such strong results.

Although, due to Covid-19, our Primary pupils were not able to sit their end of stage tests, our projections indicated that nearly all pupils were on target to meet or exceed their predictions by the time lockdown took place.

Improving Facilities

Despite the pressures of Covid-19, we continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Over the summer break, we have seen the following maintenance projects being completed:

- School House (External - Corral Side and roof) – stonework cleaned, windows repainted, broken roof tiles being repaired and new guttering installed.
- School House (Internal) – Kitchen equipment replaced and modernised.
- Science Labs – replacement floors in two labs
- Playing Fields – development of a new full sized football pitch and a new long jump pit
- Forest School – summer house erected.

Arts, Music and Drama

One of the important elements of any Woodard School is the concentration on arts, music and drama. We have a gifted music department, and many parents choose our School because of the exceptionally high standard of our music.

Whilst we were not able to hold many of our flagship events live, they continued via video-links. Therefore, our Michaelmas Senior production was devised by the students themselves and recorded

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using a professional filming company, who also filmed our Primary pupils Christmas concerts. The opportunity to record themselves at home for our termly soloist concerts led to the highest number of performers ever at both Primary and Senior level. Our summer concerts were recorded live in Llandaff Cathedral and ensembles played live at Speech Day.

In the summer term, our emphasis on participation, saw 'CSL's Got Talent' take place outside with acts from all age groups across a variety of genres. Similarly, the Summer Showcase also took place outside enabling small groups of parents to come onsite for the first time in 18 months.

In Art and Design Technology, our pupils continue to perform at a very high level. Students were invited to participate in the "Monumental Welsh Women" workshop run by renowned sculptor Eve Shepherd and a significant number entered the Royal Academy of Art Young Artists' Exhibition 2021, with one student exhibiting in the final.

Sport

Our aim in School sport is to enable participation and we have again successfully encouraged large numbers of pupils to represent the School either in intra-School matches or in some inter-School matches where they could take place safely. Thus pupils were able to participate in modified hockey, football and cricket. We are unique in Cardiff in offering such a large number of weekend fixtures.

Significant Events

In November 2020, the School led the outdoor Act of Remembrance for Llandaff, providing the trumpeter and brass band. The following January, the School was once again invited to take part in the Welsh National act of remembrance for Holocaust Memorial Day, albeit via zoom. Following this, our Head Boy and Head Girl, as well as two students who had participated in the *Lessons from Auschwitz* project presented a virtual assembly to the School, reflecting on what they had learned and experienced.

Wider Education

Our very high participation rates in the Duke of Edinburgh Award (90% in Year 9; 80% in Year 10, 60% in Year 11 and 25% in Year 12) outstrip the national target of 50% of young people across the country and we remained committed to enable pupils to participate in the Award, despite the restrictions placed on it. Volunteering also had to take place in a more creative fashion, but our young people continued to find opportunities to support their local community through running virtual coffee mornings, supporting foodbanks and baking cakes for their local community.

The Woodard Corporation is involved in the development of academies as part of the government's initiative. In support of this project all Woodard Schools have provided support, where asked, through provision of educational expertise, participation in governance, direct curriculum support etc.

Community

Through development of, and provision of access to new facilities, the School remains at the heart of the community. Unfortunately, due to the pandemic we have been unable to offer our full range of facilities for community use. We have however hosted the following throughout the year:

Our music and performance facilities are made available to a wide range of local music societies, including:

- Cardiff and Vale Youth Jazz Orchestra
- Orchestra Rehearsals
- Stage School

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Our sports pitches are recognised as being of particular quality and are regularly used by:

- Cardiff Cavaliers Cricket Club
- Glamorgan County Cricket Fixtures (2nd Team)
- Mitres Cricket Club
- Salem Chapel Cricket Club
- St Fagans Cricket Club
- UMCC Cricket Fixtures

Our sports hall is also regularly used throughout the year for evening and weekend activities by the following organisations:

- Cardiff City and Met Korfball Club
- Cardiff Volleyball Club
- Heath Angels and Junior Angels Netball Clubs

Our Memorial Hall hosts:

- Ballet and Tap groups on weekends and during the weekday evenings
- Fitness classes – these take place every Saturday morning
- Pilates and yoga classes – these take place on four evenings per week
- The Llandaff society monthly meetings

When restrictions are fully lifted, we look forward to welcoming all past clubs and society back on site.

Partnerships

The Cathedral School this year saw the close relationship with our diocesan Church in Wales Schools continue to develop, despite the challenges of lockdown. As part of Black History Month, we developed shared resources on Martin Luther King Jr. Rosa Parks and Harriet Tubman, to inspire discussions by our pupils about the important changes happening in the past and today. Feedback from parents showed that these resources and discussions positively impacted the children, developing their cultural understanding and instigated further discussions at home with their families.

In November, the Llandaff Diocese invited the School to take part in a trial where we recorded feedback about a draft scheme of work and resources provided. Fortnightly meetings took place with diocesan personnel, a survey was shared informing the diocese of the impact of the work on the pupils progress and examples of pupil work were also shared.

In December, the Diocese invited us to take part in a National Welsh Pilot study about Advent and Refuge. We took part in an online initial meeting with the Llandaff Diocesan education team and, following this, we delivered suggested tasks in a way that was suitable for the School. We recorded reflections weekly, including audio recordings, artwork, post it notes of children's ideas and reflections and emailed them to the diocesan education team. This included a documented "change" for the School suggested by the Year 5s. Following the end of the project, we took part in a plenary session in January with the Llandaff Diocese education team.

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Following our successful work with the diocese on *Taith Advent* we were invited to work with our five partner primary Schools in the Urban Church network to further the diocesan mission to develop Schools of Sanctuary and support the Cardiff refugee project working with a Syrian refugee family.

We continued to develop our partnership with Cartref Residential Home including strengthening our pen pal project and recording a virtual Christmas message for the residents.

As members of the Rotary youth charitable body 'Interact', we continued to work online with local Schools (Howells, Whitchurch High, Llanishen High and Whitchurch Primary) to raise money and awareness of global issues, including running a virtual pampering evening.

In Music, we provided the brass band free of charge for the community Act of Remembrance on Llandaff Green.

Charitable Activities

As well as supporting the local community, we have undertaken specific fundraising for projects such as Save the Children, the Teenage Cancer Trust and 2 Wish upon a Star. The School community takes part in a wide range of sponsored events and other fundraising activities and these continued during lockdown with pupils raising money as individuals by running marathon distances either individually or in a team. The School raised £8,249 to support local and national charities.

Alumni Relations and Development

Significant progress has been made this year in improving our Alumni relations. Whilst we could only welcome a small number of former students on site for Old Llandavians Day, we appointed an Alumni Relations and Development Officer at the end of the summer term, whose role will be to strengthen the links between the Alumni and the School.

Key Performance Indicators

The Key Performance Indicators (KPIs) used by the School to monitor both educational targets and financial results, provide the governors with confidence that the School has a strategy for managing targets set.:

KPI	Target	Actual 2021	Actual 2020
Surplus	5% of net fees	4.6%	1%
Pupil Numbers	800	796	800
Total salaries to net fees	70% of net fees	68%	69%
A Level target	Average score of 55% Grade A or above	85%	56%
GCSE Level target	Average score of 65% Grade 7 or above	86%	78.9%

Statement on Brexit

Following the outcome of the UK referendum on European Union membership, the UK left the European Union on 31st January 2020. In preparation for this date, and in anticipation of the transition period, the School reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not yet in place. The School will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including particularly visa requirements, the supply chain and data handling and protection, in order to minimise risk and

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DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2021

potential disruption.

Funds held as custodian trustee on behalf of others

The Cathedral School does not hold funds or act as custodian trustee on behalf of others.

FINANCIAL REVIEW

Results for the Year

The net incoming resources for the year amounted to £407,846 of which the operating surplus on School activities was £425,898. This surplus has been achieved with a rise in fees inflation and against a background of strongly rising operating costs which have been tightly controlled especially during the period of lockdown.

Hiring out the Cathedral School facilities during vacations and after School hours contributed £11,250 (2020: £23,678). The figure is lower due to hiring's being halted at the start of lockdown.

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating 796 UK based children. The saving is estimated to have a value in the last year of £5,189,124. The school is also unable to recover the VAT on purchases it makes. During the past year The Cathedral School has paid an estimated £319,324 in irrecoverable VAT on goods and services.

The Cathedral School provides a pension to some staff under the terms of the Pensions Trust Growth Plan. As a result of this pension scheme being under funded, The Cathedral School is committed to contributing to a recovery plan. During the course of the year The Cathedral School made contributions to the recovery plan of £18,110 and the recognised liability under the plan reduced by £17,795, with this value being recognised in the Statement of Financial Activities. Further details can be found in note 27.

Reserves Level and Policy, and Financial Viability

It has been the School's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the School without the requirement to have recourse to sales of tangible fixed assets or use of the School's readily realisable investments supporting unrestricted funds. Unrestricted funds increased by £425,898 to total £8,055,379, as shown in note 20. The Cathedral School plans to fund longer term capital expenditure and meet long term liabilities through careful management of resources and investments and through building reserves through operations and trading. The School aims to make an overall surplus of 5% to build up to the target for free reserves. This year's result indicates that our surplus was 4.6% of net fees. This is a reasonable outcome when considering the impact of Covid-19.

The Governors have invested substantial sums into new School buildings in recent years and have a continuing programme of refurbishment, development, and investment to maintain excellent teaching facilities for our pupils. In common with most independent Schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our School. The School's total reserves of £8,200,895 at the year-end included £145,516 of restricted funds and £8,055,379 unrestricted funds. Fixed assets held for charity use totalled £9,481,077, leaving free reserves of -£1.426m (2020: -£2.125m) at the year-end, an improvement of £.699m. The School's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The School does not have, and cannot rely on, permanent endowments.

The company's unrestricted reserve are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

PRINCIPAL RISKS AND UNCERTAINTIES

Coronavirus Pandemic

These financial statements were compiled during the Covid-19 global pandemic, shortly after the majority of the restrictions on daily living had been relaxed, and after a vaccine was identified and delivered to the majority of the adult population. Like most trustees, the Governors keep under consideration the impact of a catastrophic event on the School's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the School. The School is currently full, but there is no room for complacency. The governing body, therefore, decided to hold the fees static for September 2020. For September 2021 the governing body took the decision to increase fees by 3%.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The governing body is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Head and Bursar and the process is overseen by the Risk Committee on behalf of the governing body. A formal review of the risk management processes is undertaken annually.

The principal risks to which the School is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the Governors consider possible catastrophic events and ensure that the School has a plan in place to allow education to continue in a range of different scenarios
- the market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our School
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the School meets expectations
- the School operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; School or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that we have access to up-to-date information and support
- the School operates in an increasingly litigious environment, and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

The key controls used by the School include:

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

Financial risk management objectives and policies

The School uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The School's governors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the School seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks.
- Interest rate risk – the School finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

GOING CONCERN

The governing body has reviewed the impact of the global pandemic on School operations and finances. In 2020-21 the financial impact was mitigated through use of the various elements of support provided by the Government including the furlough scheme. The governing body recognise that the financial implications in 2020-21 brought about as a result of the pandemic will continue into 2021-22, and possibly beyond, and continues to rework plans for the next 12 months, to ensure the financial impact on the School continues to be mitigated in the most appropriate way.

Pupil recruitment is consistent and following the lockdown, caused by the pandemic, we are seeing parents applying where they may not have considered Independent education in the past.

The accounts show that we are currently cash positive, this is the case even without recognising that over 25% of our parents regularly pay fees in advance of the due date. We also have £1.5m bank overdraft facility, in case of need, which has never been called upon.

The School has a financial plan up until the end of 2024/25, indicating an annual EBITDA of £670k to £703k - this is equivalent to 50 senior pupil fees. Our cash forecast of circa £4m in 2024/5, gives the governors confidence that the School will be able to restart the capital project of a new Sixth Form Building in the next few years.

Having considered all factors and reviewing the available evidence, including demand v capacity, exam results and the handling of the lock down which has given rise to potential additional funding opportunities, the governors have a reasonable expectation that the School will be able to continue operating for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

FUTURE PLANS

- Securing excellent academic standards

The overwhelming focus this year will be ensuring that pupils are on track and making good progress following the disruption of Covid-19 over the academic year, including a new structure for our ALN (Additional Learning Needs) department. Our new A Level curriculum programme with the re-introduction of AS Levels for Year 12 will be embedded this year.

- Ensuring the well-being and personal development of pupils and staff

The focus this year will supporting pupils' and staff mental health – particularly considering the stresses of lockdown, with the employment of an additional member of the counselling team. The restorative programme will continue, with Year 13 students taking on the role of well-being ambassadors and with Year 11 of the restorative approach being a focus for the Primary section.

- Ensuring the ability to invest in excellent facilities

The focus this year will be continuing our development of the new playground at the front of School

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2021

House. The plans for the new building to house the science laboratory, classroom space and extensive Sixth Form facilities will be reviewed following an assessment of the impact of Covid-19 on income.

- Reaching out: to Alumni

The work on improving alumni relations continues. This year, our new Alumni Relations Officer, together with the marketing and communication team, will ensure that our database of alumni is complete to enable us to identify a group of alumni to support the work of the School.

- Reaching out: to the community

The focus this year is on redeveloping links that were not able to move forward thanks to Covid-19, in particular our primary music programme. Our Cartref intergenerational project will continue as well as our work towards earning our School of Sanctuary certification. We will also seek to develop and improve our links with our parental community.

- Development/Fundraising

We will continue to develop a Fundraising Strategy, looking at opportunities for additional income streams and to build capital resources, in order to future proof the School and to help mitigate any external economic or political pressures. As we look to the next stage of the development of the School site, we will develop our environmental strategy to support the UK's move towards net zero carbon.

DIRECTORS

The directors who served during the year, and the committees of which they are members, are:

G C Lloyd (Chairman)	Estates, Finance, Nominations, Remuneration, Risk Management
Mrs K Bates	Education, Remuneration, Risk Management
M R Havard (Vice Chair)	Estates, Nominations, Remuneration, Risk Management
J F Holmes	Finance, Nominations, Remuneration, Risk Management
P R Lacey	Education, Nominations, Remuneration, Risk Management
P J Knowles	Education, Remuneration, Risk Management
Mrs J E Newley	Education, Estates, Risk Management
J C Rawlins	Estates, Finance, Nominations, Risk Management
Mrs C F Wood	Estates, Finance, Risk Management

None of the directors has any beneficial interest in the company. The Cathedral School buys trustees and officers insurance on behalf of the directors.

AUDITORS

RSM UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2021

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors of The Cathedral School (Llandaff) Limited on 26 November 2021, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Gilbert C Lloyd
CHAIRMAN

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED YEAR ENDED 31ST AUGUST 2021

Opinion

We have audited the financial statements of The Cathedral School (Llandaff) Limited for the year ended 31 August 2021 which comprise the Charity Statement of Financial Activities, the Charity Balance Sheet, the Cash Flow Statement and the 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 FRS 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 charitable company's affairs as at 31 August 2021 and of the 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED YEAR ENDED 31ST AUGUST 2021

Opinions 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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated 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 the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic 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 by the parent charitable company, 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 directors' 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 Statement of Directors' responsibilities set out on page 16, 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 Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED YEAR ENDED 31ST AUGUST 2021

and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operate in and how the charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and substantive test of details over donation and grant income.

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

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED YEAR ENDED 31ST AUGUST 2021

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 (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

1 December 2021

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

YEAR ENDED 31ST AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Charitable Activities					
School fees receivable	2	8,787,227	-	8,787,227	8,350,135
Ancillary trading income	3	264,406	-	264,406	288,622
Other trading activities					
Non-ancillary trading income	4	12,557	-	12,557	30,239
Investments					
Investment income	5	-	545	545	535
Bank and other interest	5	244	-	244	3,540
Other – Grants and donations					
Grants and donations	6	50,663	-	50,663	116,829
Other incoming resources					
TOTAL INCOMING RESOURCES	22	9,115,097	545	9,115,642	8,789,900
Expenditure on:					
Raising funds					
Financing costs	7a	(61,321)	-	(61,321)	(83,317)
TOTAL DEDUCTIBLE COSTS		(61,321)	-	(61,321)	(83,317)
Charitable Activities					
Education and grant making	7a	(8,627,878)	(20,547)	(8,648,425)	(8,613,772)
TOTAL EXPENDITURE		(8,689,199)	(20,547)	(8,709,746)	(8,697,089)
Net gains/(losses) on investment assets	13	-	1,950	1,950	(2,090)
Net income/(expenditure)		425,898	(18,052)	407,846	90,721
Net Movement in funds for the year		425,898	(18,052)	407,846	90,721
Fund balances at 1st September		7,629,481	163,468	7,792,949	7,702,228
FUND BALANCES AS AT 31ST AUGUST		8,055,379	145,416	8,200,795	7,792,949

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

BALANCE SHEET AS AT 31ST AUGUST 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	9,469,617	9,744,253
Investments	13	11,460	9,510
		<u>9,481,077</u>	<u>9,752,763</u>
CURRENT ASSETS			
Stock		3,058	4,783
Debtors	14	298,648	390,009
Cash at bank and in hand		2,003,846	1,338,152
		<u>2,305,552</u>	<u>1,732,944</u>
CURRENT LIABILITIES			
Creditors payable within one year	15	(1,501,792)	(1,420,775)
		<u>803,760</u>	<u>312,169</u>
NET CURRENT ASSETS			
		<u>803,760</u>	<u>312,169</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,284,837	10,065,932
LONG TERM LIABILITIES			
Creditors payable after one year	16	(2,018,597)	(2,189,743)
		<u>8,266,240</u>	<u>7,876,189</u>
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY			
		<u>8,266,240</u>	<u>7,876,189</u>
Net pension liability	23	(65,345)	(83,140)
		<u>8,200,895</u>	<u>7,793,049</u>
NET ASSETS		8,200,895	7,793,049
REPRESENTED BY:			
CALLED UP SHARE CAPITAL	19	100	100
ENDOWED FUNDS	20		
RESTRICTED FUNDS	20	145,416	163,468
UNRESTRICTED FUNDS			
General reserve	20	8,055,379	7,629,481
		<u>8,200,895</u>	<u>7,793,049</u>

The financial statements were approved and authorised for issue by the Board on 26 November 2021 and signed on its behalf by



GILBERT C LLOYD
CHAIRMAN

Company registration number 05091977

The notes on pages 24 to 42 form part of these financial statements.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

CASH FLOW STATEMENT AS AT 31ST AUGUST 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	24	894,127	441,944
Cash flows from investing activities:			
Dividends, interest and rents from investments		789	4,075
Purchase of property, plant and equipment		(30,556)	(62,678)
Net cash provided by investing activities		(29,767)	(58,603)
Cash flows from financing activities:			
Repayments of borrowing		(141,045)	(48,511)
Financing costs		(57,621)	(83,317)
Repayment of finance lease obligations		-	(10,557)
Net cash provided by financing activities		(198,666)	(142,385)
Change in cash and cash equivalents in the year		665,694	240,956
Cash and cash equivalents at the beginning of the year		1,338,152	1,097,196
Cash and cash equivalents at the end of the year	25	2,003,846	1,338,152

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) Basis of Accounting

The accounts of the School have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

The Cathedral School meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 31, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) Going Concern

The governing body has reviewed the impact of the global pandemic on School operations and finances. In 2020-21 the financial impact was mitigated through use of the various elements of support provided by the Government including the furlough scheme. The governing body recognise that the financial implications in 2020-21 brought about as a result of the pandemic will continue into 2021-22, and possibly beyond, and continues to rework plans for the next 12 months, to ensure the financial impact on the School continues to be mitigated in the most appropriate way.

Pupil recruitment is consistent and following the lockdown, caused by the pandemic, we are seeing parents applying where they may not have considered Independent education in the past.

The accounts show that we are currently cash positive, this is the case even without recognising that over 25% of our parents regularly pay fees in advance of the due date. We also have £1.5m bank overdraft facility, in case of need, which has never been called upon.

The School has a financial plan up until the end of 2024/25, indicating an annual EBITDA of £670k to £703k - this is equivalent to 50 senior pupil fees. Our cash forecast of circa £4m in 2024/5, gives the governors confidence that the School will be able to restart the capital project of a new Sixth Form Building in the next few years.

Having considered all factors and reviewing the available evidence, including demand v capacity, exam results and the handling of the lock down which has given rise to potential additional funding opportunities, the governors have a reasonable expectation that the School will be able to continue operating for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

c) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

of the School. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

c) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example School shop sales, coaches to and from School and School trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of School facilities out of term time and rental from spare School buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

d) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the School in case of donated services or facilities.

e) Coronavirus Job Retention Scheme (CJRS) Income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other – Grants and Donations' (note 6).

f) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

g) Finance and Other Costs

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

h) Pension Costs

The School participates in the Teachers' Pensions scheme, which is an unfunded government scheme, and The Pensions Trust scheme, both of which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company offers membership of The Pensions Trust's their Growth Plan scheme to employees other than the full-time academic staff. The Pensions Trust's Growth Plan scheme is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the School, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The School must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in note 23.

i) **Tangible Fixed Assets and Depreciation**

In accordance with Section 35.10 (d) of FRS102, The Cathedral School has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold Land and Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Leasehold land and Buildings	- Over the shorter of the economic life of the asset or the life of the lease
Plant and Equipment	- 25% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

The Cathedral School exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

j) **Financial Instruments**

The Cathedral School 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.

k) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

at the lower of cost and net realisable value.

l) **Leasing Commitments**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

m) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a School on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in School for their full years of education and therefore the deposit will be refunded to them when they leave School.

Short term deposits reflect those pupils that will be leaving a School within one year, and the longer-term element reflects those pupils that will be leaving a School after 12 months from the balance sheet date.

n) **Fund Accounts**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

o) **Taxation**

The Cathedral School is a registered charity and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

2. **CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE**

	2021 £	2020 £
The School fees income comprises		
Gross fees	9,749,437	9,796,672
Less: Total scholarships, bursaries, etc	(804,374)	(767,675)
Less: Discount for COVID-19	(157,836)	(678,862)
	8,787,227	8,350,135

3. **CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME**

	2021 £	2020 £
Extras		
Entrance fees and registration fees	16,115	14,140
Fees in Lieu of Notice	6,376	7,273
Extra Subjects	150,227	107,137
Sundry Other Income	73,646	142,179
School Shop Commission	18,042	17,893
	264,406	288,622

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

4. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Non-ancillary trading income		
Lettings income	11,250	23,678
Interest receivable – pupil bills	1,307	6,561
	12,557	30,239

5. INVESTMENTS - INVESTMENT INCOME

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Bank interest	244	-	244	3,540
Other interest	-	545	545	535
	244	545	789	4,075

6. Other – Grants and Donations

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Government grants - CJRS	50,663	-	50,663	116,829
	50,663	-	50,663	116,829

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 9) £	Support costs £	Depreciation (Note 12) £	Total 2021 £	Total 2020 £
Costs of raising funds					
Financing cost (note 8)	-	61,321	-	61,321	83,317
Total cost of generating funds	-	61,321	-	61,321	83,317
Charitable expenditure					
Teaching	5,154,992	373,950	23,123	5,552,065	4,973,100
Welfare	117,413	501,947	-	619,360	558,200
Premises	235,429	978,441	282,069	1,495,939	1,593,711
School administration and Governance	454,306	524,003	-	978,309	1,496,661
Donations	-	-	-	-	8,053
Grants awards and prizes (note 7b)	-	20,547	-	20,547	-
Movement in Pension recovery plan	-	(17,795)	-	(17,795)	(15,953)
Education and grant making	5,962,140	2,381,093	305,192	8,648,425	8,613,772
Total Expenditure	5,962,140	2,442,414	305,192	8,709,746	8,697,089

b) Grants, awards and prizes

The Cathedral School makes awards to individual families to support Schooling.

	2021 £	2020 £
From Restricted Funds:		
Scholarships	20,547	8,053
From Unrestricted Funds:		
Bursaries (Hardship)	210,025	192,747
Bursaries (Scholarships)	205,170	205,365
Bursaries (Siblings)	33,450	24,390
Scholarships	178,015	187,889
	647,207	618,444

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

7. ANALYSIS OF EXPENDITURE (Continued)

c) Total resources expended include:

The Cathedral School reimburses Governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. No Governors were reimbursed during the year (2020: 2).

	2021 £	2020 £
Remuneration paid to auditor for audit services	19,560	19,145
Additional remuneration paid to auditor for prior year		
Remuneration paid to auditor for non-audit services	-	2,580
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	305,192	617,873
- held under finance leases and hire purchase contracts	-	8,192
Operating lease rentals:		
- land and buildings	67,400	73,400
- other assets	101,198	-
Reimbursement of personal expenses to Governors	-	354
Other Governance Costs – Legal Fees	11,520	5,986
	504,870	727,530

8. FINANCING COSTS

	2021 £	2020 £
Bank interest payable	47,053	54,979
Lease finance costs	-	132
Bank charges	10,568	10,801
Provision for bad and doubtful debts	3,700	17,405
	61,321	83,317

9. STAFF COSTS

	2021 £	2020 £
The aggregate payroll costs for the year were:		
Wages and salaries	4,600,123	4,458,303
Social security costs	455,282	434,075
Other pension costs	900,290	868,538
Private medical insurance	6,445	5,197
	5,962,140	5,766,113

Included in staff costs are redundancy or termination payments totalling £16,320 (2020: Nil). The amount outstanding at the year-end was £0 (2020: £0).

None of the Governors received remuneration or other benefits from The Cathedral School or from any connected body.

The Head and Bursar are classed by the School as being the Key Management Personnel.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

9. STAFF COSTS (Continued)

	2021 £	2020 £
Aggregate employee benefits of key management personnel	235,246	233,997

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	2021 No	2020 No
£60,001 - £70,000	3	3
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1

The number with retirement benefits accruing:
- in Defined Contribution schemes was

1	1
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Of which the contributions amounted to

£16,150	£16,150
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For 2021 there are Nil (2020: Nil) employees earning over £60,000 per year that have chosen not to participate in a pension scheme.

The average number of employees during the year calculated on a head count basis was 157 (2020: 157)

	2021 No	2020 No
Teaching	82	83
Welfare	13	9
Premises	17	18
Support	35	36
Other activities	10	11
	157	157

10. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year.

11. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

12. TANGIBLE FIXED ASSETS

Group and company	Freehold Land & Buildings £	Leasehold Land & Buildings £	Plant & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 st September 2020	4,465,688	8,546,423	440,146	-	94,806	13,547,063
Additions	-	-	-	30,556	-	30,556
Disposals	-	-	-	-	-	-
At 31st August 2021	4,465,688	8,546,423	440,146	30,556	94,806	13,577,619
Depreciation						
At 1 st September 2020	196,841	3,163,160	352,441	-	90,368	3,802,810
Charge for the year	44,942	212,725	35,448	7,639	4,438	305,192
At 31st August 2021	241,783	3,375,885	387,889	7,639	94,806	4,108,002
Net book value at 31st August 2021	4,223,905	5,170,538	52,257	22,917	-	9,469,617
Net book value at 31 st August 2020	4,268,847	5,383,263	87,705	-	4,438	9,744,253

All assets are used for charitable purposes.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

13. INVESTMENTS

	2021 £	2020 £
Group investments		
At 1 September	9,510	11,600
Unrealised gains/(losses) on investments	1,950	(2,090)
School investments at 31 August	11,460	9,510
Investments comprise:		
Listed investments		
Equities – Murray Investments	11,460	9,510
School investments at 31 August	11,460	9,510

14. DEBTORS

	2021 £	2020 £
School fees receivable	62,181	59,776
Prepayments and accrued income	235,841	329,530
Amounts due from parent company	626	703
	298,648	390,009

15. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	191,945	141,045
Deposits from parents	18,000	21,300
Fees received from parents in advance of term	797,804	834,674
Trade creditors	124,610	87,767
Taxation and social security	117,070	105,292
Other creditors	170,828	169,540
Accruals	81,535	61,157
	1,501,792	1,420,775

The Cathedral School has a bank loan from Barclays Plc. The loan is secured by charges on the School's assets and by a debenture at a rate of interest of 2.320% over base rate, and is repayable over a term of 5 years, with effect from April 2020, following renegotiation.

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

15. CREDITORS: amounts falling due within one year (Continued)

Summary of movements in deferred income

	2021 £	2020 £
Balance at 1 September	834,674	1,057,224
Amounts arising in the year	797,804	834,674
Amounts transferred to SOFA	(834,674)	(1,057,224)
Balance at 31 August	797,804	834,674

Deferred income arises due to parents paying the Michaelmas Term's fee prior to the end of the Financial Year.

16. CREDITORS: amounts falling due after one year

	2021 £	2020 £
Bank loans and overdrafts	1,655,815	1,847,761
Deposits from parents	362,782	341,982
	2,018,597	2,189,743

17. BANK LOAN

	2021 £	2020 £
The bank loan is repayable in instalments		
Due within 1 to 2 years	398,011	191,944
Due within 2 to 5 years	1,257,804	1,655,817
Due after 5 years	-	-
Due after more than one year	1,655,815	1,847,761
Due within 1 year	191,945	141,045
	1,847,760	1,988,806

18. COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases are:

	Land and buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Within 1 year	67,400	58,400	101,198	89,580
Within 1 to 5 years	260,600	233,600	174,336	63,208
After 5 years	2,303,200	2,384,000	-	-
	2,631,200	2,676,000	275,534	152,788

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

19. SHARE CAPITAL

	2021 £	2020 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

20. FUNDS

The Cathedral School's funds are analysed under the following headings:

a) RESTRICTED FUNDS

The income funds of the Company include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

The Chorister Special Fund assist parents of Choristers who have fallen into financial difficulty and are unable to meet the total cost of fees less the Chorister Scholarship.

The Special Fund Support Funding is a fund that helps families who have lost their main income earner. The fund helps to pay the fees of the child until the next natural break in their education.

b) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purpose of the School.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Share Capital	Total 2021	Total 2020
	£	£	£	£	£
Tangible fixed assets	9,469,617	-	-	9,469,617	9,744,253
Investments		11,460		11,460	9,510
Net current assets	669,704	133,956	100	803,760	182,027
Long term liabilities	(2,083,942)	-	-	(2,083,942)	(2,142,741)
	<u>8,055,379</u>	<u>145,416</u>	<u>100</u>	<u>8,200,895</u>	<u>7,793,049</u>
				Total 2020	Total 2019
	£	£	£	£	£
Tangible fixed assets	9,744,253	-	-	9,744,253	10,307,640
Investments	-	9,510	-	9,510	11,600
Net current assets/(liabilities)	27,969	153,958	100	182,027	(448,933)
Long term liabilities	(2,142,741)	-	-	(2,142,741)	(2,167,979)
	<u>7,629,481</u>	<u>163,468</u>	<u>100</u>	<u>7,793,049</u>	<u>7,702,328</u>

THE CATHEDRAL SCHOOL (LLANDAFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

22. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sept 2020 £	Incoming resources £	Resources expended £	Gains/ (losses) £	At 31 August 2021 £
Restricted Funds					
Revaluation Reserve	5,411	-	-	1,950	7,361
Chorister Special Fund	76,276	545	-	-	76,821
Special Fund – Support	81,781	-	(20,547)	-	61,234
	163,468	545	(20,547)	1,950	145,416
Unrestricted Funds					
General Reserve	7,629,481	9,115,097	(8,689,199)	-	8,055,379
	7,629,481	9,115,097	(8,689,199)	-	8,055,379
Total Funds	7,792,949	9,115,642	(8,709,746)	1,950	8,200,795
	At 1 Sept 2019 £	Incoming resources £	Resources expended £	Gains/ (losses) £	At 31 August 2020 £
Restricted Funds					
Revaluation Reserve	7,501	-	-	(2,090)	5,411
Chorister Special Fund	75,741	535	-	-	76,276
Special Fund – Support	89,834	-	(8,053)	-	81,781
	173,076	535	(8,053)	(2,090)	163,468
Unrestricted Funds					
General Reserve	7,529,152	8,789,365	(8,689,036)	-	7,629,481
	7,529,152	8,789,365	(8,689,036)	-	7,629,481
Total Funds	7,702,228	8,789,900	(8,697,089)	(2,090)	7,792,949

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

23. PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £762,170 (2020: £745,225) and at the year-end £88,758 (2020 - £86,578) was accrued in respect of contributions to this 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.

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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

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 the cost cap mechanism revision is completed 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.

Pensions Trust Growth Plan

The School participates in the TPT Retirement Solutions - The Growth Plan, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and

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Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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23. PENSION SCHEMES (Continued)

Present Values of Provision	2021 £	2020 £
Present value of provision	65,345	83,140
Reconciliation of opening and closing provisions	2021 £	2020 £
Provision at 1 September	83,140	99,093
Unwinding of the discount factor	403	870
Deficit contribution paid	(18,110)	(17,583)
Remeasurements - impact of any change in assumptions	(88)	760
Remeasurements - amendments to the contribution schedule		-
Provision at 31 August	65,345	83,140
Income and expenditure impact	2021 £	2020 £
Interest expense	403	870
Unwinding of the discount factor		
Remeasurements - impact of any change in assumptions	(88)	760
Remeasurements - amendments to the contribution schedule		
Assumptions	2021	2020
	% per annum	% per annum
Rate of discount	0.63	0.55

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	2021 £	2020 £
Year 1	19	18
Year 2	19	19
Year 3	20	19
Year 4	8	20
Year 5	-	8
Year 6	-	-
	66	84

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23. PENSION SCHEMES (Continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

24. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2021 £	2020 £
Net income for the period (as per the Statement of Financial Activities)	407,845	90,721
Adjustments for		
Depreciation charges	305,192	365,396
Fixed asset adjustments (Impairment 2020)	-	260,669
Interest Receivable	(789)	(4,075)
Interest Payable		83,317
	57,621	
Pension Provision Movement	(17,795)	(15,953)
(gains) / losses on investments	(1,950)	2,090
Decrease /(increase) in stocks	1,725	(1,742)
Decrease / (increase) in debtors	91,361	(64,497)
Increase / (decrease) in creditors	50,917	(273,982)
Net cash provided by (used in) operating activities	894,127	441,944

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	2,003,846	1,338,152
Overdraft facilities repayable on demand	-	-
Total cash and cash equivalents	2,003,846	1,338,152

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st Sept 2020	Cash flows	Other non- cash changes	At 31 st Aug 2021
	£	£	£	£
Cash and cash equivalents				
Cash	1,338,152	665,694		2,003,846
Overdraft facility repayable on demand	-	-	-	-
	<u>1,338,152</u>	<u>665,694</u>		<u>2,003,846</u>
Borrowings				
Loans falling due within one year	(141,045)	(50,900)	-	(191,945)
Loans falling due after more than one year	(1,847,761)	238,999	(47,053)	(1,655,815)
Finance lease obligations	-	-	-	-
Total	<u>(1,988,806)</u>	<u>188,099</u>	<u>(47,053)</u>	<u>(1,847,760)</u>
Total	<u>(650,654)</u>	<u>853,793</u>	<u>(47,053)</u>	<u>156,086</u>

27. CONTINGENT LIABILITIES

The Company has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2020. As of this date the estimated employer debt for the Company was £211,371, including Series 3 liabilities.

28. ULTIMATE CONTROLLING PARTY

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of The Cathedral School Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

29. RELATED PARTIES

As stated in note 29, The Cathedral School Limited is a wholly owned subsidiary of The Woodard Corporation. An amount of £44,965 was paid during the year to Woodard Corporation by way of a levy to meet running costs. Also £19,059 was received in relation to School Fees paid by Woodard Corporation as part of Fees in Advance Scheme contracts.

30. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 24, there is a deficit reduction plan in place in respect of The Cathedral School membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2021

Pension scheme contingent liability

As explained at note 28, there is a contingent liability in the event that The Cathedral School were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.