

**Wells Cathedral School Foundation
(Limited by Guarantee)**

Report of the Trustees and Financial Statements

Registered Company number 02804495

Registered Charity number 1118159

Year ended 31 August 2022

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TRUSTEES' REPORT

The Trustees of Wells Cathedral School Foundation Limited ("the Foundation") present their annual report for the year ended 31 August 2022 under the Charities Act 2011, together with the audited Financial Statements for the year and confirm that they comply with the requirements of the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities' Statement of Recommended Practice (FRS 102) ("the charities SORP"). These Financial Statements form part of the audited consolidated Financial Statements of Wells Cathedral School Limited ("the School") for the year ended 31 August 2022.

The Foundation is registered with the Charity Commission and was incorporated on 28 February 2007 as a registered Company, Limited by Guarantee, not having share capital. It is governed by its Memorandum and Articles of Association. The Foundation is a company registered in England and Wales.

The Governing Body

The following served as Trustees in the year under review and up to the date of signing the Financial Statements. The Trustees of the Foundation are Directors of the Foundation for Companies Act 2006 purposes:

Mr David Brown MA, OBE
Mr Max Constantini
Mr Alan Durant BSc (Econ)
Mrs Ann Gummer BSc (Hons)
Mr Christopher Jackson MA (Hons), OBE, SBS, Chairman
Mr Philip Lemanski MA (Oxon), FCA
Mr Tim Lewis MA (Cantab), FCA
Mr Chris Seaton BSc (Hons)
Mr Alastair Tighe MA (Cantab)

The Foundation's Executive Board comprises the Chairman of the Foundation, an elected School Governor, the Head Master of the School and an elected Foundation Trustee. These four "member" Trustees are joined by the other Trustees in the running of the Foundation and in all appropriate Board meeting decisions but only the member Trustees have the power to vote at the Annual General Meeting ("AGM"). The member Trustees are Christopher Jackson (chairman), Alastair Tighe, Tim Lewis and David Brown. A maximum of 25 Trustees may be appointed to the Board.

Trustees' report (*continued*)

Legal and Administrative Details

Registered and Principal office

Wells Cathedral School
Limited

College Road

Wells

Somerset

BA5 2SX

Bankers

National Westminster
Bank plc

7 High Street

Wells

Somerset

BA5 2AD

Solicitors

Harris & Harris

14 Market Place

Wells

Somerset

BA5 2RE

Independent Auditor

Crowe U.K. LLP

4th Floor, St James House

St James' Square

Cheltenham

GL50 2PR

Company Secretary

Peter Knell (*resigned 12th July 2022*)

Mr Robert McCarthy (*appointed 18th July 2022*)

Wells Cathedral School Limited

College Road

Wells

Somerset

Trustees' report (*continued*)

BA5 2SX

Connected Charity

Wells Cathedral School Limited
College Road
Wells
Somerset
BA5 2SX

Connected charity registration number 310212

Charitable Objectives

The Foundation was created to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The objectives of the Foundation are to advance the education of pupils at the School and to promote any other charitable purpose or charitable organisation that the Trustees shall determine, and in particular to assist in:

- The provision of financial assistance towards the maintenance and development of the School;
- Raising money for awards to pupils to pursue their education at the School, including pupils whose parents or guardians are in need of financial assistance;
- The provision of facilities and equipment to support the education of pupils in the School; and
- The organisation of events to promote the good name of the School and further its educational objectives, including orchestral and choral concerts in the UK and overseas.

Charitable Benefit

Trustees' report (*continued*)

The Foundation's charitable benefit is to raise income for the School and the parents of its pupils in the form of bursaries and grants, and for the purchase of equipment and facilities for the use of its pupils.

Organisational Structure

The Foundation's fundraising and related activities are carried out by staff of the School's development office, managed by the Head of Wells Cathedral School Foundation ("the Head of the Foundation"), Rebecca Roberts, and supported by the School's Development committee. An allocation of the development office's operating costs, including School staff costs and other direct costs associated with the Foundation, which are borne by the School, has been made to the Foundation based on time actually spent by the office's staff on the Foundation's affairs. These operating expenses from the School of £45,582 (2021: £44,634) are reflected in the Statement of Financial Activities in operating expenses and income from the School of £45,582 (2021: £44,634) recognised as "Gift in kind - School" in *Income from Charitable Activities*.

The Foundation's committees and their Chairmen are as follows:

Bursaries committee	Mr Max Constantini
Investment committee	Mr Tim Lewis
Wells Music Society of Hong Kong	Mr Bryan Carter

The chairman and members of the Board meet with the Head of the Foundation as necessary between Board meetings.

The Head of the Foundation is responsible for maintaining the operational processes required to run the Foundation, and for providing professional advice in fundraising, communications and alumni relations. The Head of the Foundation is assisted by a part time administrative assistant and various other events and marketing personnel as required. Staff pay is set by the School. Benchmarking with comparable salaries is achieved through visiting websites such as Pay Scale and ISBA.

Recruiting and Training of Trustees

The Trustees are appointed at a meeting of the Board on the basis of nominations agreed between the chairman, the Head Master of the School and Head of the Foundation, having regard to the Board's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. New Trustees are inducted into the working of the Foundation, including its aims and objectives, by the Chairman and the Head of the Foundation. A document outlining the responsibilities and expectations of the Trustees is provided to all prospective Trustees.

Charity Governance Code

All Trustees of the Foundation:

- 1) Are committed to the Foundation's cause and have joined its Board because they want to help it deliver its purposes most effectively for public benefit;
- 2) Recognise that meeting the Foundation's stated public benefit is an ongoing requirement;

Trustees' report (*continued*)

3) Understand their roles and legal responsibilities, and have read and understood:

- The Charity Commission's guidance *The Essential Trustee (CC3)*;
- The Foundation's governing document;
- Are committed to good governance and want to contribute to the Foundation's continued improvement.

The Trustees are familiar with and acknowledge the updated version of the Charity Governance Code published in July 2017 and the Code's principles are reviewed at the Foundation's AGMs.

Fundraising Disclosures

As required under S162A of the Charities Act 2011, the Foundation has continued to undertake fundraising activities during the year using its database, as in previous years. These fundraising activities have been undertaken by staff employed by the School and no external persons have been used. The Foundation has voluntarily subscribed to the Fundraising Regulator which holds the Foundation to the Code of Fundraising. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

Safeguarding Policy

In order to protect vulnerable people the Foundation complies with the School's Safeguarding Policy to report concerns of abuse, all members of staff receive regular training, and safeguarding is an agenda item at all Trustee meetings. This allows Trustees and staff members to raise and be aware of any concerns.

Indemnity Insurance

As permitted by the Articles of Association of the School, the Trustees are the beneficiaries of a qualifying third party indemnity as defined by section 234 of the Companies Act 2006. The School also purchased and maintained throughout the financial year Governors' and officers' liability insurance in respect of itself, its Governors and the Trustees of the Foundation.

The cost of insurance, which is included in the cost of public liability cover in the Consolidated Financial Statements of the School, amounted to £ 9,139 (2021: £7,846) in the year for the School and Foundation.

Statement of Going Concern

In their consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Trustees have concluded that no material uncertainties have been identified that may cast significant doubt on the ability of the Foundation to continue as a going concern. The Trustees and Head Master have considered that there may be an ongoing change in fundraising ability over the coming year due to the impact of covid but this will be monitored through professional vigilance and ongoing discussions between the Head Master, the Head of Foundation and the Trustees.

Trustees' report (*continued*)

The Trustees therefore have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

STRATEGIC REPORT

Review of Developments, Activities and Achievements

There are currently nine Foundation Trustees in place to help deliver the Foundation's aims, meeting up to four times a year and combining the Annual General Meeting with the November meeting.

There is also a cohort of Foundation Fellows, many of whom play an active role in helping to deliver the strategic aims of the Foundation and School.

During the year the Foundation's Annual Fund: Sport concluded and a new Multi Use Games Area was built and some sports equipment was purchased with the funds raised. An Annual Fund: Wellbeing was launched to develop the wellbeing areas of the School and the pupil led provision available. The bursaries appeal continued to work to support the School's ability to provide financial assistance to certain pupils, in particular in light of the impact of covid and the increased cost of living. In this financial year there were donations to the Foundation for general bursaries of £7,528 (2021: £22,823) and no firm pledges (2021: nil) were received.

The Foundation's fundraising body in Hong Kong is the Wells Music Society of Hong Kong, and the School has a music scholar who has been supported financially by the Society, the Lee Hysan Foundation and the School during the year

Immediate & Future plans

The emphasis this year has been on rounding off the Annual Fund: Sport and the launch of a new Annual Fund: Wellbeing focused on developing the wellbeing areas within the School. Events in the upcoming year will be focused on this area of fundraising. Subject to ongoing discussions there will also be a focus on refreshing and relaunching the Legacy campaign.

FINANCIAL REVIEW

During the year the Foundation received £87,915 (2021: £199,844) in financial contributions in the form of donations and legacies, which is a decrease of 56% (2021: an increase of 1%) in incoming resources.

The Foundation's net movement in funds during the year was a deficit of £100,286 (2021: surplus of £361,944).

Investment Policy, Powers and Performance

In accordance with the Trust Deed, the Trustees may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils. The investment objective is to outperform the MSCI Wealth Management Association Growth Index return.

The objective of the portfolio is to grow the capital over time, such that, in the future, the portfolio is of sufficient size to meaningfully contribute towards the advancement of education. However, the portfolio suffered a negative return of -8.3% over the 12 months to the end of August, reflecting very challenging market conditions which have in particular impacted portfolios with a growth bias. Over the same timeframe the MSCI WMA Growth Index declined 1.4%. Despite the recent decline, over the longer term, the

Trustees' report (*continued*)

portfolio return remains ahead of the CPI+4% target return notwithstanding current high rates of inflation.

The Foundation's Endowment funds have been entrusted to Smith & Williamson Investment Management to invest in a portfolio of equities, funds, bonds and cash. The investment is classed as a non-current asset as it will be held for longer than 12 months. The investment objectives and risk parameters are reviewed every year by the investment committee.

Any gains and losses on sale or revaluation of investments are recorded within the Statement of Financial Activities.

In 2020/21, the Foundation adopted the "Total Return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total returns earned on the investments will be available to be used to award bursaries to pupils at the School.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the year under review other than donations to the School of £81,520 (2021: £98,545), as disclosed in the statement of financial activities. The Foundation's grant making policy is to make donations only to the School.

Reserves Policy

The Foundation had unrestricted general funds of £171,653 (2021: £152,798) at the year end. The policy of the Trustees is to use available unrestricted general funds for bursaries, other financial assistance for pupils and the general expenses of the Foundation. At the year end it had restricted funds of £358,619 (2021: £394,489) and endowment funds of £987,017 (2021: £1,070,288), giving a total of £1,517,289 (2021: £1,617,575).

Risk Management

The Board of Trustees has considered the principal areas of the Foundation's operations and assessed the major risks faced in each of these areas. They have identified the following risks and controls:

- Failure to attract appropriate Trustees with expertise to provide strong, wise leadership – this is regularly reviewed by the Head Master and Trustees;
- Change in management of the Foundation – continually reviewed by the Head Master and Foundation Chairman;
- Reputational damage caused by inappropriate activity, or failure to secure necessary funds – constant professional vigilance and early consideration of possible issues by the Trustees;
- Loss or misuse of funds provided to the Foundation – to ensure segregation of duties, the bank mandate requires two signatories on payments. Two staff members also monitor the banking process together with full documentation of allocation of all receipts and ensure all transactions are fully documented and appropriately authorised; and

Trustees' report (*continued*)

- Change in fundraising ability due to the impact of covid - professional vigilance and ongoing discussions with the Head Master, the Head of Foundation and the Trustees.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and the Financial Statements in accordance with applicable law, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and the Charities SORP.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for ensuring adequate accounting records are kept by the School sufficient to show and explain the Foundation's transactions, disclose with reasonable accuracy at any time the financial position of the Foundation and enable the Trustees to ensure that the Financial Statements comply with the Companies Act 2006 and the provisions of the Foundation's constitution. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on Disclosure of Information to the Auditor

So far as each Trustee is aware, there is no relevant audit information of which the Foundation's auditor is unaware. The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the page of the School's website dealing with the Foundation. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Trustees' report (*continued*)

Independent Auditor

Crowe U.K. LLP have indicated their willingness to accept reappointment as the Foundation's Auditors and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

In preparing this report, Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Mr Christopher Jackson
Chairman of Trustees

23rd November 22

Year ended 31 August 2022

Independent Auditor's Report to the Members of Wells Cathedral School Foundation

Opinion

We have audited the financial statements of Wells Cathedral School Foundation Limited ('the charitable company') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, School Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its income and expenditure, for the 31 August 2022 then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 year of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information contained within the annual report. 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

Year ended 31 August 2022

required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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

Year ended 31 August 2022

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Council and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over non-fee income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

Wells Cathedral School Foundation (limited by guarantee)
Report of the Trustees and Financial Statements

Year ended 31 August 2022

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

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Date 12 December 2022

Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 August 2022

		Endowme nt funds £	Restrict ed funds £	Unrestrict ed funds £	Total 2022 £	Total 2021 £
	Note					
Income from:						
Donations & legacies	3	7,843	59,264	20,808	87,915	199,844
Income from investments	8/9/10	20,971	3,134	164	24,269	24,590
Gifts in kind – School	11	-	-	45,582	45,582	44,634

Wells Cathedral School Foundation (limited by guarantee)
Report of the Trustees and Financial Statements

Year ended 31 August 2022

Total income		28,814	62,398	66,554	157,766	269,068
Expenditure on:						
Charitable activities - donations to School	9	-	(81,520)	-	(81,520)	(98,545)
Raising funds - operating costs	11	-	-	(45,582)	(45,582)	(44,634)
Other expenditure	4	-	-	(2,117)	(2,117)	(1,989)
Total expenditure		-	(81,520)	(47,699)	(129,219)	(145,168)
Net (losses) /gains on investments	8/9	(112,085)	(16,748)	-	(128,833)	238,044
Net (expenditure)/income and net movement in funds		(83,271)	(35,870)	18,855	(100,286)	361,944
Fund balances brought forward at 1 September		1,070,288	394,489	152,798	1,617,575	1,255,631
Fund balances carried forward at 31 August	13	987,017	358,619	171,653	1,517,289	1,617,575

The notes on pages 14 to 24 form part of these Financial Statements

Balance Sheet as at 31 August 2022

Company number:
02804495

	<i>Note</i>	2022	2021
		£	£
Fixed assets			
Investments	5	1,145,970	1,247,012
Current assets			
Debtors	6	16,414	5,702
Cash at bank and in hand		355,205	411,393
Total current assets		371,619	417,095
Creditors: amounts falling due within one year	7	(300)	(46,532)
Net current assets		371,319	370,563
Total assets less current liabilities		1,517,289	1,617,575
Net assets		1,517,289	1,617,575
The funds of the charity:			
Endowment funds	8	987,017	1,070,288
Restricted funds	9	358,619	394,489
Unrestricted funds	10	171,653	152,798
Total charity funds		1,517,289	1,617,575

The notes on pages 14 to 24 form part of these Financial Statements.

The Financial Statements have been prepared in accordance with the small companies' regime of the Companies Act 2006.

The Financial Statements were approved by the Trustees on 23rd November 2022 and signed on their behalf by:

Mr Christopher Jackson

Chairman of Trustees

Mr Tim Lewis

Trustee

Notes

1 Company Status

The Foundation is a Charitable Company (registered no. 02804495) limited by guarantee registered in England and Wales, not having any share capital. The member Trustees undertake to contribute to the assets of the Foundation in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member is £1.

The registered and principal office of the Foundation is Wells Cathedral School Limited, College Road, Wells, Somerset, BA5 2SX. The Foundation is also registered as a charity with the Charity Commission in England and Wales (Charity Number: 1118159).

2 Accounting Policies

The following accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the Foundation's Financial Statements. There have been no material changes to accounting policies since the prior year.

Basis of Preparation

The Financial Statements have been prepared on the going concern basis under the historic cost convention, with the exception of listed investments which are held at fair value, in accordance with applicable accounting standards in the United Kingdom including the Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102), Statement of Recommended Practice (FRS 102) 2015 'Accounting and Reporting by Charities' ('the Charities SORP'), the Charities Act 2011 and the Companies Act 2006.

The Foundation has taken advantage of the exemption from the requirement to prepare a cash flow statement in accordance with section 1.12 of FRS 102.

The Foundation is a public benefit entity and the Foundation's functional and presentational currency is the pound sterling.

Going Concern

The Financial Statements are prepared on a going concern basis. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the Foundation's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

Income

Income in furtherance of the Foundation's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, and are accounted for on an accruals basis. Income is recognised when there is a legally binding commitment to the Foundation for the transfer of funds. Donations of assets are brought into the balance sheet and statement of financial activities at market value, at the date of acquisition. Gift aid is subsequently applied for where appropriate;

Notes

- Legacies, which are accounted for at the earliest of the receipt of estate accounts or cash received. An assessment is performed post year end of up to two months on legacies not yet received. Any legacies received are considered, their value reliably measured and then accounted for appropriately;

Notes (continued)
Income (continued)

- Income from investments, which represents interest and dividends earned during the year from bonds and deposits and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis; and
- Gifts in kind, which are recorded in income to reflect the value of the Foundation's operating costs that are borne by the School, which include the employees of the Foundation.

Accrued Income

When, as a result of performing a service or otherwise meeting the requirements of any arrangement with a third party, income falls due but has not been invoiced at the year end, an accrual is made for this income.

Expenditure

All expenditure is included in the statement of financial activities on an accruals basis, inclusive of any value added tax which cannot be recovered. Costs directly attributed to a specific expense heading are allocated to that heading.

Expenditure is recognised when a liability is incurred and in the following categories:

- The costs of charitable activities which consist of charitable donations to the School; and
- Operating costs, which are the allocated operating costs of the School's development office and the direct costs associated with the Foundation which are borne by the School.

Investments

In accordance with the trust deed, the Trustees may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income, and to invest other funds received in bank deposits and bonds at attractive rates of interest. The basis for determining fair value is the quoted market price in an active market.

The Foundation has adopted the Total Returns approach to investments which are considered to be permanent endowments, under which any realised and unrealised gains and losses on sale or revaluation of investments are recorded within the statement of financial activities. Once the value of the permanent endowments reaches a sufficient amount agreed by the Investment Committee, the total returns approach will be available to be used to award bursaries to pupils at the School.

Cash and Cash Equivalents

Cash is represented by cash in hand.

Creditors

Notes *(continued)*

Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds, and the amount due to settle the obligation can be measured or estimated reliably.

Fund Accounting

The Foundation has three types of funds for which it is responsible, which require separate disclosure. These are as follows:

- Unrestricted funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Foundation. In addition to expenditure on the principal activities of the Foundation, such funds may be held in order to finance working capital;
- Restricted funds that have been donated for specific purposes, such as bursaries or projects; and
- Endowment funds, which are defined as donations made to the School in perpetuity, and the total returns approach will be available to be used to benefit future pupils.

Financial Instruments Policy

All of the Foundation's financial assets and liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical Accounting Judgements and Estimation of Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i. Critical judgements

The Trustees do not believe that any critical judgements have been made in preparing the Financial Statements.

The accruals and prepayments are calculated based on fact or historical evidence.

ii. Estimates and assumptions

The estimates and assumptions made by the Foundation consist primarily of an allocation of the School's development office's operating costs based on the knowledge of key management personnel.

3 Donations and Legacies

Notes *(continued)*

	2022	2021
	£	£
Trusts	21,946	54,447
Legacy	3,000	40,000
Companies/individuals	62,969	105,397
	<hr/> 87,915 <hr/>	<hr/> 199,844 <hr/>

4 Expenditure

	2022	2021
	£	£
Auditor's remuneration	1,575	1,568
Irrecoverable VAT	315	314
Bank charges	227	107
	<hr/> 2,117 <hr/>	<hr/> 1,989 <hr/>

5 Investments

	2022	2021
	£	£
Investments at valuation		Re-stated
At 1 September 2021	1,247,012	879,222
Additions	336,051	559,351
Disposal proceeds	(308,260)	(429,605)

Notes (continued)

Net (losses)/gains	(128,833)	238,044
At 31 August 2022	1,145,970	1,247,012
These balances can be further analysed as:		
Cash held	56,701	
62,531		
Investments		1,089,269
1,184,481		
	1,145,970	
1,247,012		

The investments are represented by the following funds:

Endowed funds £987,017 (2021: £1,070,288)
Restricted funds £158,953 (2021: £176,724)

The investments consist of a portfolio of equities, funds, bonds and cash managed by Smith & Williamson Investment Management, the majority of which comprise UK assets. They are categorised as non-current assets as they are held for longer than 12 months.

The objective of the portfolio is to grow the capital over time, such that, in the future, the portfolio is of sufficient size to meaningfully contribute towards the advancement of education. However, the portfolio suffered a negative return of -8.3% over the 12 months to the end of August, reflecting very challenging market conditions which have in particular impacted portfolios with a growth bias. Over the same timeframe the MSCI WMA Growth Index declined 1.4% (2021: 24.8%). Despite the recent decline, over the longer term, the portfolio return remains ahead of the CPI+4% target return notwithstanding current high rates of inflation.

6 Debtors

These comprise accrued income.

7 Creditors: amounts falling due within one year

These consist of accruals.

8 Endowment Funds

Notes (continued)

	2022	2021
	£	£
At 1 September 2021	1,070,288	855,959
Add donations received	7,843	-
Less transfers to unrestricted funds	-	(26,336)
Income from investments	20,971	22,463
Unrealised (losses)/gains on investments	(112,085)	218,202
At 31 August 2022	987,017	1,070,288

The endowment fund represents part of the investment portfolio held by Smith & Williamson Investment Management. The Endowment funds are defined as donations for bursaries made to the School in perpetuity, the income from which is to be used as bursaries for the benefit of future pupils

9 Restricted Funds

	Balance at 1 Sept 21	Incoming	Outgoing	Transfer	Balance at 31 August 22
	£	£	£	£	£
Legacies	10,000	-	-	-	10,000
Cedars Hall Project	1	2,023	(911)	-	1,113
Bursaries - General	82,492	7,528	(12,342)	-	77,678
Wells Music Society of Hong Kong	1,474	12,171	(8,139)	-	5,506
Bursaries - Sierra Leone	1,291	-	-	(1,291)	-
Bursaries - Music Travel	3,900	957	(250)	-	4,607
Bursaries - Sport Travel	2,927	-	-	-	2,927
Bursaries - Charitable Aid	567	-	-	(567)	-
Bursaries - Music	2,591	500	-	-	3,091
Archive	1,200	-	-	-	1,200
Roland Jacob Award	100	-	-	-	100
Junior Instruments	167	-	(162)	-	5
Trophy Cabinet	538	-	(538)	-	-
Sierra Leone	3,607	2,414	(3,295)	1,858	4,584

Wells Cathedral School Foundation (limited by guarantee)
Report of the Trustees and Financial Statements
Year ended 31 August 2022

Notes *(continued)*

String Department	13,132	5,275	(1,756)	-	16,651
Woodwind Department	1,529	700	-	-	2,229
Music Department	7,430	-	(100)	-	7,330
				-	
David Nasmyth	1,000	-	-	-	1,000
St Brandon's Fund	57,176	514	(6,653)	-	51,037
Quilter Family Bursary Fund	1,988	603	(350)	-	2,241
Choralia tour	3,398	-	-	-	3,398
Russell Fox Heath Trust	119,398	1,864	(13,585)	-	107,677
Alan Powell Fund	12,798	-	(2,111)	-	10,687
Charitable Volunteering Fund	21,210	-	-	-	21,210
Bow Fund	1,500	-	-	-	1,500
Drama Fund	158	-	-	-	158
Sport	42,336	7,944	(42,759)	-	7,518
Football Equipment	584	-	(572)	-	12
Music Anxiety Fund	-	6,250	(850)	-	5,400
Ukraine Disaster Relief Fund	-	3,668	(3,645)	-	23
Well Being Fund	-	1,600	-	-	1,600
Chorister Fund	-	250	(250)	-	-
Sixth Form Centre Fund	-	7,100	-	-	7,100
Hockert Department	-	144	-	-	144
Brass Department	-	895	-	-	895
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	394,489	62,398	(98,268)	-	358,619
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Most of the Russell Fox Heath Trust and the St Brandon's Fund restricted funds are held within the Smith & Williamson investment portfolio. Income generated by the portfolio has been allocated to these funds in proportion to their capital value. During the year, the restricted funds earned interest of £3,314 (2021: £2,096) but incurred a loss on revaluation of investments of £16,748 (2021: gain on investments of £19,842).

The Russell Fox Heath Trust provides funds for those undertaking outdoor expeditions both within and outside of School. The Outdoor Education department applies to the Trustees of the fund for funds, as do pupils of the School for their individual expeditions.

Notes (continued)

The St Brandon's Fund makes awards to former pupils of the St Brandon's School in Weston-Super-Mare and their relatives who attend Wells Cathedral School. Awards are made at the discretion of the School Bursar.

General Bursaries are awards made to support pupils, in conjunction with the School and other external trusts, to attend Wells Cathedral School.

Comparative Statement of Restricted funds for period ended 31 August 2021 (13 months)

	Balance at 31 July 20	Incoming	Outgoing	Transfer	Balance at 31 August 21
	£	£	£	£	£
Legacies	80,000	-	-	(70,000)	10,000
Cedars Hall Project	983	9,138	(10,120)		1
Bursaries - General	78,067	22,823	(18,398)		82,492
Wells Music Society of Hong Kong	1,489	38,247	(38,262)	-	1,474
Bursaries - Sierra Leone	1,291	-	-	-	1,291
Bursaries - Music Travel	3,621	279	-	-	3,900
Bursaries - Sport Travel	2,887	40	-	-	2,927
Bursaries - Charitable Aid	567	-	-	-	567
Bursaries - Music	1,901	690	-	-	2,591
Archive	1,200	-	-		1,200
Roland Jacob Award	150	-	(50)	-	100
Junior Instruments	167	-	-	-	167
Trophy Cabinet	1,254	-	(716)	-	538
Sierra Leone	3,259	348	-	-	3,607
String Department	9,557	4,200	(625)	-	13,132
Woodwind Department	2,429	-	(900)	-	1,529
Music Department	7,430	-	-	-	7,430
David Nasmyth	1,000	-	-	-	1,000
St Brandon's Fund	51,841	7,135	(1,800)	-	57,176
Quilter Family Bursary Fund	1,325	663	-	-	1,988
Choralia tour	3,148	250	-	-	3,398
Russell Fox Heath Trust	106,845	14,803	(2,250)	-	119,398
Alan Powell Fund	14,677	-	(1,879)	-	12,798
Charitable Volunteering Fund	21,210	-	-	-	21,210
Bow Fund	-	1,500	-	-	1,500
Drama Fund	-	158	-	-	158
Sport - MUGA	-	65,436	(23,103)	-	42,333
Football Equipment	-	584	-	-	584

Notes (continued)

396,298	166,294	(98,103)	(70,000)	394,489
)	

10 Unrestricted Funds

	Balance at 1 Sept 21 £	Interest £	Incoming £	Outgoing £	Balance at 31 August £
General Funds	152,798	164	20,808	(2,117)	171,653

Unrestricted funds comprise gifts or donations made to the Foundation that are not committed to any project being undertaken by the Foundation. The Trustees determine how such funds shall be used.

Comparative Statement of Unrestricted funds for period ended 31 August 2021 (13 months)

	Balance at 31 July 20 £	Interest £	Incoming £	Outgoing £	Transfer £	Balance at 31 August 21 £
General Funds	2,932	31	55,488	(1,976)	96,336	152,798
Designated Funds	442	-	-	(442)	-	-
	3,374	31	55,488	(2,431)	96,336	152,798

11 Remuneration of the Trustees

The Foundation had no employees in either this or the preceding financial year and therefore no employee earned more than £60,000 in the current or previous year. The Trustees did not receive any emoluments, benefits or reimbursement of expenses during the year (2021: *£nil*). The staff were paid £29,893 (2021: £33,102) which is incorporated in the operating expenses and gifts in kind from the School of £45,582 (2021: £44,634). The difference of £15,689 (2021: £11,532) comprises expenses borne by the Foundation for office administration, travel and events of the Foundation.

Notes (continued)

12 Financial Instruments:

The Foundation has the following financial instruments:

- Financial assets that are measured at amortised cost

	2022	2021
	£	£
Debtors	16,414	5,702
	<hr/>	<hr/>

- Financial assets that are measured at fair value

	2022	2021
	£	£
Investments	1,145,970	1,274,012
	<hr/>	<hr/>

- Financial liabilities measured at amortised cost

	2022	2021
	£	£
Accruals	300	1,891
Endowed bond	-	5,028
	<hr/>	<hr/>
	300	6,919
	<hr/>	<hr/>

13 Allocation of Net Assets

The net assets are held for the various funds as follows:

	Fixed assets	Net current assets	Total 2022
	£	£	£
Endowment Funds	987,017	-	987,017
Restricted Funds	158,953	199,666	358,619

Notes (continued)

Unrestricted Funds	-	171,653	171,653
	<hr/>	<hr/>	<hr/>
	1,145,970	371,319	1,517,289
	<hr/>	<hr/>	<hr/>

Comparative Allocation of Net Assets for period ended 31 August 2021 (13 months):

	Fixed assets	Net current assets	Total 2021
	£	£	£
Endowment Funds	1,070,288	-	1,070,288
Restricted Funds	176,724	217,765	394,489
Unrestricted Funds	-	152,798	152,798
	<hr/>	<hr/>	<hr/>
	1,247,012	370,563	1,617,575
	<hr/>	<hr/>	<hr/>

14 Connected Parties

Wells Cathedral School ("the School") is a connected charity and parent within the terms of the SORP in that it has common, parallel or related objects and activities and unity of administration.

The School funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2021 the Foundation's operating costs of £45,582 (2021: £44,634) were recharged to the School.

There were transactions with the School of £81,520 during the year (2021: £98,545) representing donations for bursaries and specific projects, and a total of £12,429 pledges (2021: £nil) were due to the Foundation at the year end.

During the year, no Trustee (2021:1) donated to the Foundation (2021: £4,050).

The results of the Foundation have been consolidated with those of the School. A copy of those Financial Statements for the year ended 31 August 2022 are available from the Company Secretary of the School, Wells Cathedral School Limited, College Road, Wells, Somerset, BA5 2SX. Charity No: 310212. Company No: 00564883.

Notes *(continued)*

15 Taxation

The Foundation is not liable to taxation on the revenue from its primary activities or on its investment income as it is a registered charity.

16 Comparative Statement of Financial Activities for year ended 31 August 2021 (13 months)

Endowm	Restrict	Unrestrict	Total
	ed		

Notes (continued)

	ent funds	funds	ed funds	2021
	£	£	£	£
Income from:				
Donations & legacies	-	144,356	55,488	199,844
Income from investments	22,463	2,096	31	24,590
Gifts in kind - School	-	-	44,634	44,634
	_____	_____	_____	_____
Total income	22,463	146,452	100,153	269,068
	_____	_____	_____	_____
Expenditure on:				
Charitable activities - donations to School	-	(98,103)	(442)	(98,545)
Raising funds - operating costs	-	-	(44,634)	(44,634)
Other expenditure	-	-	(1,989)	(1,989)
	_____	_____	_____	_____
Total expenditure	-	(98,103)	(47,065)	(145,168)
	_____	_____	_____	_____
Net gains on investments	218,202	19,842	-	238,044
Transfers	(26,336)	(70,000)	96,336	-
Net expenditure and net movement in funds	214,329	(1,809)	149,424	361,944
Fund balance brought forward at 1 August 2020	855,959	396,298	3,374	1,255,631
	_____	_____	_____	_____
Fund balance carried forward at 31 August 2021	1,070,288	394,489	152,798	1,617,575
	_____	_____	_____	_____