



THE WELLS CATHEDRAL SCHOOL FOUNDATION

(A charitable company Limited by Guarantee)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

Company Number: 02804495

Registered Charity Number: 1118159

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REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Mr Christopher Jackson MA (Hons), OBE, SBS (Chair) Mr David Brown MA, OBE Mr Max Constantini Mr Alan Durant BSc (Econ) Mrs Ann Gummer BSc (Hons) Mr Philip Lemanski MA (Oxon), FCA Mr Tim Lewis BA (Cantab), FCA Mr Chris Seaton BSc (Hons) Mr Alastair Tighe MA (Cantab)
Company Secretary	Mr Robert McCartney BSc (Hons), FCA
Registered and Principal Office	Wells Cathedral School, Limited College Road Wells Somerset BA5 2SX
Independent Auditor	Crowe U.K. LLP 4 th Floor St James House St James Square Cheltenham GL50 2PR
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Connected Charity	Wells Cathedral School, Limited (Charity No. 310212) College Road Wells Somerset BA5 2SX

TRUSTEES' REPORT

The Trustees of The Wells Cathedral School Foundation ("the Foundation") present their annual report for the year ended 31 August 2023 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 2023.

Purpose

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

Charitable Objectives

The Foundation's objectives as set out in its Memorandum and Articles are as follows:

- 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.

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

Charitable Benefit

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.

Governance

The Foundation is registered with the Charity Commission and was incorporated on 28 February 2007 as a registered company, Limited by Guarantee, not having a share capital.

TRUSTEES' REPORT (cont'd)

The Governing Body

The Trustees who served during the year, and up to the date of signing the Financial Statements, are listed below. The Trustees of the Foundation are directors of the Foundation for Companies Act 2006 purposes.

Mr Christopher Jackson MA (Hons), OBE, SBS, (Chair)

Mr David Brown MA, OBE

Mr Max Constantini

Mr Alan Durant BSc (Econ)

Mrs Ann Gummer BSc (Hons)

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 Chair 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 Mr Christopher Jackson (Chair); Mr Alastair Tighe; Mr Tim Lewis; and, Mr David Brown. A maximum of 25 Trustees may be appointed to the Board.

Recruiting and Training of Governors

The Trustees are appointed at a meeting of the Board on the basis of nominations agreed between the Chair, the Head Master of the School and the 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 Chair 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:

- are committed to the Foundation's cause and have joined its Board because they want to help it to deliver its purposes most effectively for public benefit;
- recognise that meeting the Foundation's stated public benefit is an ongoing requirement;
- understand their roles and legal responsibilities, are committed to good governance, and have read and understood:
 - The Charity Commission's guidance The Essential Trustee (CC3);
 - The Foundation's Governing document.

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.

TRUSTEES' REPORT (cont'd)

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.

Indemnity Insurance

As permitted by the Articles of Association, 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 £10,658 (2022: £9,139) 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 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.

Organisational Management

The Foundation's fundraising and related activities are carried out by staff of the School's development office, managed in the year by the Head of Wells Cathedral School Foundation ("the Head of the Foundation"), 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 Development Office's staff on the Foundation's affairs. These operating expenses from the School of £43,634 (2022: £45,582) are reflected in the Statement of Financial Activities in operating expenses and income from the School of £43,634 (2022: £45,582) recognised as "Gift in kind – School" in *Income from Charitable Activities*.

The Foundation's committee and their Chairs are as follows:

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

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

TRUSTEES' REPORT (cont'd)

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 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 the Independent Schools' Bursars Association ("ISBA").

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 the School.

During the year the Foundation's 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 this financial year there were donations to the Foundation for general bursaries of £21,005 (2022: £7,528) and no firm pledges (2022: Nil) were received.

Immediate and Future Plans

With a new Director of Development in post from September 2023, the focus is on producing a new fundraising strategy to implement from 2024. A key strategic objective is to deliver an integrated campaign to generate income for more means-tested bursaries through a broad portfolio of activity, including individual giving and legacies.

FINANCIAL REVIEW

During the year, the Foundation received £156,225 (2022: £87,915) in financial contributions in the form of donations and legacies, which is an increase of 78% (2022: a decrease of 56%) in incoming resources.

The Foundation's net movement in funds during the year was a surplus of £118,353 (2022: a deficit of £100,286).

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Trustees of the Foundation 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. The portfolio achieved a positive return of 1.4% over the twelve months to the end of August, compared to a negative return of 8.3% in the prior year. The current year outcome reflected a continued challenging market place which has in particular impacted portfolios with a growth bias. Over the same timeframe the MSCI WMA Growth Index increased by 3.4% compared to a decline of 1.4% in the prior year. Whilst lagging slightly behind the target, the portfolio's performance, net of costs, has held up much better than similar charity portfolios.

TRUSTEES' REPORT (cont'd)

The Foundation's Endowment Funds have been entrusted to Evelyn Partners (formerly 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 Foundation's Investment Committee.

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

The Foundation adopts 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 of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the year under review (2022: £nil) other than donations to the School of £53,393 (2022: £81,520), as disclosed in its 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 £177,249 (2022: £171,653) 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 £455,894 (2022: £358,619) and endowment funds of £1,002,499 (2022: £987,017), giving a total of £1,635,642 (2022: £1,517,289).

Risk Management

The Trustees have 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 Trustees;
- Change in management of the Foundation – continually reviewed by the Head Master and the Foundation Chair;
- 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,
- Change in fundraising ability due to the impact of COVID – professional vigilance and ongoing discussions with 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 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) 'Accounting and Reporting by Charities' ("the Charities SORP"), the Charities Act 2011 and the Companies Act 2006.

TRUSTEES' REPORT (cont'd)

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 the 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 set out 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 that adequate accounting records are kept by the Foundation that are sufficient to show and explain the Foundation's transactions, disclose with reasonable accuracy at any time the financial position of the Foundation and enable them 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 that 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.

Independent Auditor

Crowe U.K. LLP have indicated their willingness to accept reappointment as the Foundation's auditors and a resolution for 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.

Approved by the Trustees on 11 December 2023 and signed on their behalf:

Mr Christopher Jackson
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WELLS CATHEDRAL SCHOOL FOUNDATION

Opinion

We have audited the financial statements of The Wells Cathedral School Foundation ("the charitable company") for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 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 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 Trustees' 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WELLS CATHEDRAL SCHOOL FOUNDATION

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 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 and the strategic 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 strategic report 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 strategic report or 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 on page 6, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WELLS CATHEDRAL SCHOOL FOUNDATION

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.

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 Trustees 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, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Investment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WELLS CATHEDRAL SCHOOL FOUNDATION

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

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.

Tara Westcott

Senior Statutory Auditor

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

Date: 20 December 2023

THE WELLS CATHEDRAL SCHOOL FOUNDATION (Limited by Guarantee)
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2023

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

	<i>Note</i>	Endowment funds £	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 £
INCOME FROM:						
Donations & Legacies	3	-	152,435	3,790	156,225	87,915
Investment income	8, 9, 10	20,749	3,188	4,181	28,118	24,269
Gifts in kind - School	11	-	-	43,634	43,634	45,582
Total Income		20,749	155,623	51,605	227,977	157,766
EXPENDITURE ON:						
Charitable activities – donations to School	9	-	(53,393)	-	(53,393)	(81,520)
Raising funds – operating costs	11	(7,143)	-	(43,634)	(50,777)	(45,582)
Other expenditure	4	-	(1,503)	(2,240)	(3,743)	(2,117)
Total expenditure		(7,143)	(54,896)	(45,874)	(107,913)	(129,219)
(Loss)/gain on investments	8, 9	(1,945)	234	-	(1,711)	(128,833)
Net (expenditure)/ income		11,661	100,961	5,731	118,353	(100,286)
Transfers between funds		3,821	(3,686)	(135)	-	-
Net movement in funds		15,482	97,275	5,596	118,353	(100,286)
Fund balances brought forward at 1 September 2022		987,017	358,619	171,653	1,517,289	1,617,575
Fund balances carried forward at 31 August 2023	13	1,002,499	455,894	177,249	1,635,642	1,517,289

The Statement of Financial Activities includes all gains and losses in the year. Full comparative figures for the year ended 31 August 2022 are shown in Note 16.

The notes on pages 14 to 24 form part of these financial statements.

THE WELLS CATHEDRAL SCHOOL FOUNDATION (Limited by Guarantee)
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2023

BALANCE SHEET
AS AT 31 AUGUST 2023

	<i>Note</i>	2023	2022
		£'000	£'000
Fixed assets			
Investments	5	1,161,052	1,145,970
Current assets			
Debtors	6	1,156	16,414
Cash at bank and in hand		485,923	355,205
Total current assets		487,079	371,619
Creditors: Amounts falling due within one year	7	(12,489)	(300)
Net current assets		474,590	371,319
Total assets less current liabilities		1,635,642	1,517,289
Creditors: Amounts falling due after more than one year		-	-
Net assets		1,635,642	1,517,289
The funds of the charity			
Endowment funds	8	1,002,499	987,017
Restricted funds	9	455,894	358,619
Unrestricted funds	10	177,249	171,653
Total charity funds		1,635,642	1,517,289

The financial statements have been prepared in accordance with the Small Companies' Regime of the Companies Act 2006.

These financial statements were approved by the Trustees on 11 December 2023, and were signed on their behalf by:

Mr Christopher Jackson
Chair of Trustees

Mr Tim Lewis
Trustee

Company Registration No.: 02804495

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

NOTES TO THE ACCOUNTS

1. Company status

The Foundation is a charitable company, registered in England and Wales (Company Number: 02804495) limited by guarantee, and not having a 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 would be £1.

The Foundation is also a charity registered in England and Wales (Charity Number: 1118159).

The Foundation's registered and principal address is The Bursary, College Road, Wells, Somerset, BA5 2SX.

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.

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 (FRS102) 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 FRS102.

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

The principal accounting policies adopted in the preparation of the financial statements are as follows:

i) Going concern

The accounts have been prepared on the going concern basis as the Trustees consider this to be appropriate.

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.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

ii) 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, are accounted for on an accruals basis. Such 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 on donations is subsequently applied for where applicable;
- 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;
- Income from investments, which represents the interest and dividends earned during the year from bonds, 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.

iii) Accrued Income

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

iv) Expenditure

All expenditure is included in the statement of financial activities on an accruals basis. Costs directly attributable 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.

v) Investments

In accordance with the Trust Deed, the Trustees of the Foundation may authorise its funds 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.

Any gains and losses on sale or revaluation of investments are recorded within the statement of financial activities.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

v) Investments (cont'd)

The Foundation has 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.

vi) Cash and cash equivalents

Cash is represented by cash in hand.

vii) Creditors

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.

viii) Endowment funds (restricted)

Endowment funds are defined as donations made to the School in perpetuity, and the total returns approach is applied such that the income from them is to be used for the benefit of future pupils.

ix) Restricted funds

These funds have been donated for specific purposes, such as bursaries or projects.

x) Unrestricted funds

Unrestricted funds 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.

xi) Financial instruments

The Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently measured at their amortised cost or fair value depending on the nature of the financial instrument.

xii) Critical Accounting Judgements and Estimation of Uncertainty

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

- **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 firm or historical evidence, except pledges which are included based on a firm judgement by the Foundation.

- **Estimates and assumptions**

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

NOTES TO THE ACCOUNTS (cont'd)

3. Donations and Legacies

	2023	2022
	£	£
Trusts	23,500	21,946
Legacies	16,150	3,000
Corporate	288	-
Individuals	116,287	62,969
	156,225	87,915

4. Expenditure

	2023	2022
	£	£
Auditor's remuneration	-	-
Professional fees	3,233	1,575
Irrecoverable VAT	346	315
Bank charges	164	227
	3,743	2,117

Auditor's remuneration is borne by the School.

5. Investments

	2023	2022
	£	£
Investments at valuation		
At 1 September 2022	1,145,970	1,247,012
Additions	437,958	336,051
Disposals proceeds	(367,374)	(308,260)
Loss on investment portfolio	(26,641)	(128,833)
Cash management movement	(53,791)	-
Gain on cash management	24,930	-
	1,161,052	1,145,970
These balances can be further analysed as:		
Cash held	28,012	56,701
Investments	1,133,040	1,089,269
	1,161,052	1,145,970

The investments are represented by the following funds:

Endowed funds £1,002,500 (2022: £987,017)
Restricted funds £158,552 (2022: £158,953)

NOTES TO THE ACCOUNTS (cont'd)

5. Investments (cont'd)

The investments consist of a portfolio of equities, funds, bonds and cash managed by Evelyn Partners (formerly 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 achieved a positive return of 1.4% over the twelve months to the end of August, compared to a negative return of 8.3% in the prior year. The current year outcome reflecting a continued challenging market place which have in particular impacted portfolios with a growth bias. Over the same timeframe the MWCI WMA Growth Index increased by 3.4% compared to a decline of 1.4% in the prior year. Whilst lagging slightly behind the target, the portfolio's performance, net of costs, has held up much better than similar charity portfolios.

6. Debtors

	2023	2022
	£	£
Accrued income	1,156	16,414
	1,156	16,414

7. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals	3,609	300
Amounts owed to ultimate holding company	8,880	-
	12,489	300

8. Endowment funds

	2023	2022
	£	£
At 1 September 2022	987,017	1,070,288
Donations received	-	7,843
Income from investments	20,749	20,971
Operating costs	(7,143)	-
Unrealised losses on investments	(1,945)	(112,085)
Transfers to restricted funds	3,821	-
At 31 August 2023	1,002,499	987,017

NOTES TO THE ACCOUNTS (cont'd)

8. Endowment funds (cont'd)

The endowment fund represents part of the investment portfolio held by Evelyn Partners. 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 Sep 22 £	Incoming £	Outgoing £	Transfer £	Balance at 31 Aug 23 £
Legacies	10,000	16,150	-	-	26,150
Cedars Hall Project	1,113	900	-	-	2,013
Bursaries – General	77,676	21,005	(21,775)	-	76,906
Wells Music Society Hong Kong	5,506	-	(1,503)	-	4,003
Bursaries – Music Travel	4,607	768	-	-	5,375
Bursaries – Sport Travel	2,927	-	-	-	2,927
Bursaries – Music	3,091	500	-	-	3,591
Archive	1,200	-	(1,335)	135	-
Roland Jacob Award	100	-	(50)	-	50
Junior Instruments	5	-	-	-	5
Sierra Leone	4,584	877	(1,750)	-	3,711
String Department	16,651	6,000	(2,506)	-	20,145
Woodwind Department	2,229	100	-	-	2,329
Music Department	7,330	-	(4,091)	-	3,239
David Nasmyth	1,000	-	-	-	1,000
St Brandon's Fund *	51,037	1,064	(1,500)	(1,820)	48,781
Quilter Family Bursary Fund	2,241	540	-	-	2,781
Choralia tour	3,398	-	(2,250)	-	1,148
Russell Fox Heath Trust *	107,677	2,289	(2,520)	(2,001)	105,445
Alan Powell Fund	10,687	-	(2,742)	-	7,945
Charitable Volunteering Fund	21,210	-	-	-	21,210
Bow Fund	1,500	-	(1,500)	-	-
Drama Fund	158	1,400	(1,400)	-	158
Sport	7,518	1,063	(144)	-	8,437
Football Equipment	12	-	-	-	12
Music Anxiety Fund	5,400	-	(950)	-	4,450
Ukraine Disaster Relief Fund	23	500	-	-	523
Well Being Fund	1,600	1,196	-	-	2,796
Sixth Form Centre Fund	7,100	-	-	-	7,100
Hockey Department	144	-	-	-	144
Brass Department	895	-	-	-	895
Art Department	-	100,000	(8,880)	-	91,120
Turkey Earthquake Fund	-	1,505	-	-	1,505
	358,619	155,857	(54,896)	(3,686)	455,894

NOTES TO THE ACCOUNTS (cont'd)

9. Restricted Funds (cont'd)

Comparative Statement of Restricted Funds for the year ended 31 August 2022:

	Balance at 1 Sep 21 £	Incoming £	Outgoing £	Transfer £	Balance at 31 Aug 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 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
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	42,333	7,942	(42,759)	-	7,516
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
Hockey Department	-	144	-	-	144
Brass Department	-	895	-	-	895
	394,489	62,398	(98,268)	-	358,619

* Most of the Russell Fox Heath Trust and the St Brandon's Fund restricted funds are held within the Evelyn Partners 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 income of £3,188 (2022: £3,314) and benefited from a gain on revaluation of investments of £165 (2022: a loss of £16,748).

NOTES TO THE ACCOUNTS (cont'd)

9. Restricted Funds (cont'd)

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.

The Art Department Fund is to facilitate upgrading the Art Department facilities.

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.

10. Unrestricted Funds

	Balance at 1 Sep 22 £	Interest £	Incoming £	Outgoing £	Balance at 31 Aug 23 £
General Funds	171,653	4,181	42,018	(40,603)	177,249

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 the year ended 31 August 2022

	Balance at 1 Sep 21 £	Interest £	Incoming £	Outgoing £	Balance at 31 Aug 22 £
General Funds	152,798	164	20,808	(2,117)	171,653

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 (2022: Nil). The staff were paid £36,893 (2022: £29,893) which is incorporated in the operating expenses and gifts in kind from the School of £43,634 (2022: £45,582). The difference of £6,741 (2022: £15,689) comprises expenses borne by the Foundation for office administration, travel and events of the Foundation.

NOTES TO THE ACCOUNTS (cont'd)

12. Financial Instruments

The Foundation has the following financial instruments:

Financial assets that are measured at amortised cost	2023	2022
	£	£
Debtors	1,156	16,414
<hr/>		
Financial assets that are measured at fair value	2023	2022
	£	£
Investments	1,161,052	1,145,970
<hr/>		
Financial liabilities that are measured at amortised cost	2023	2022
	£	£
Accruals	12,489	300
<hr/>		

13. Allocation of Net Assets

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

	Fixed assets	Net current assets	Total 2023
	£	£	£
Endowment Funds	1,002,500	(6,672)	995,828
Restricted Funds	158,552	304,013	462,565
Unrestricted Funds	-	177,249	177,249
<hr/>			1,635,642
	1,161,052	474,590	
<hr/>			1,635,642

Comparative Allocation of Net Assets for the year ended 31 August 2022:

	Fixed assets	Net current assets	Total 2023
	£	£	£
Endowment Funds	987,017	-	987,017
Restricted Funds	158,953	199,666	358,619
Unrestricted Funds	-	171,653	171,653
<hr/>			1,517,289
	1,145,970	371,319	
<hr/>			1,517,289

NOTES TO THE ACCOUNTS (cont'd)

14. Connected Parties

Wells Cathedral School, Limited ("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 2023, the Foundation's operating costs of £43,634 (2022: £45,582) were recharged to the School.

There were transactions with the School of £53,393 (2022: £81,250) during the year representing donations for bursaries and specific projects, and a total of £Nil (2022: £12,429) pledges were due to the Foundation at the year end.

During the year, no Trustee (2022: Nil) donated to the Foundation.

The results of the Foundation have been consolidated with those of the School. A copy of the Financial Statements for the year ended 31 August 2023 are available from the Company Secretary of the School at the registered address.

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.

NOTES TO THE ACCOUNTS (cont'd)

16. Comparative Statement of Financial Activities for the year ended 31 August 2022

Comparative results for the year ended 31 August 2022:

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total 2022 £
Income from:				
Donations and Legacies	7,843	59,264	20,808	87,915
Income from investments	20,971	3,134	164	24,269
Gifts in kind – School	-	-	45,582	45,582
Total Income	28,814	62,398	66,554	157,766
Expenditure on:				
Charitable activities – donations to School	-	(81,520)	-	(81,520)
Raising funds – operating costs	-	-	(45,582)	(45,582)
Other expenditure	-	-	(2,117)	(2,117)
Total Expenditure	-	(81,520)	(47,699)	(129,219)
Net (losses) / gains on investments	(112,085)	(16,748)	-	(128,833)
Net (expenditure) / income and net movement in funds	(83,271)	(35,870)	18,855	(100,286)
Fund balance brought forward at 1 September	1,070,288	394,489	152,798	1,617,575
Fund balances carried forward at 31 August	987,017	358,619	171,653	1,517,289