BARNARD CASTLE SCHOOL

England & Wales · Charity number 1125375

Details

Status	Registered
Legal form	Charitable company
Company number	06596258
Registered	2008-08-06
Register	View on the Charity Commission register

Contact

Address	Barnard Castle School Newgate Barnard Castle DL12 8UN
Phone	01833690222
Email	genoffice@barneyschool.org.uk
Website	www.barnardcastleschool.org.uk

Activities

Objects: ?1. ADVANCE EDUCATION, IN PARTICULAR BUT NOT EXCLUSIVELY THROUGH THE PROVISION OF A SCHOOL IN OR NEAR BARNARD CASTLE, COUNTY DURHAM AND TO GIVE RELIGIOUS EDUCATION IN THE SCHOOL IN ACCORDANCE WITH CHRISTIAN PRINCIPLES; 2. TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR THE EDUCATION, RECREATION OR OTHER LEISURE ACTIVITIES OF THE PUBLIC AT LARGE.?

Activities: THE CHARITY'S OBJECTS ARE TO ADVANCE THE EDUCATION OF BOYS AND GIRLS BY THE PROVISION OF A DAY AND BOARDING SCHOOL IN OR NEAR BARNARD CASTLE, COUNTY DURHAM AND TO GIVE RELIGIOUS EDUCATION IN THE SCHOOL IN ACCORDANCE WITH CHRISTIAN PRINCIPLES.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

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Geography

- **Area of benefit:** BARNARD CASTLE, COUNTY DURHAM
- Durham

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£12,908,578	£12,952,456	£10,755,393	206
2023-08-31	£11,853,202	£11,454,302	£9,212,325	204
2022-08-31	£10,572,958	£10,218,782	£8,816,852	191
2021-08-31	£9,292,964	£9,748,816	£8,591,874	191
2020-08-31	£7,992,107	£9,177,612	£7,986,483	200

Trustees

Name	Role	Appointed
Alice Elizabeth Rhodes		2022-11-01
CATHERINE SUNLEY		
DAVID OSBORNE		
David Stewart Clouston		2024-03-01
Donna Vinsome		2017-10-31
Dr Jonathan Elphick		2014-09-01
Ian Martin Allison		2018-03-31
Katie Jane Marshall		2021-10-18
MR DON STARR		
MR PETER HODGES		
Nicholas John Bliss		2018-09-01
PETER MOTHERSILL		2013-06-27
Paul Anthony Kelsall		2018-11-12
Professor Nicholas Girdler		2024-11-15
Robert Iain Moffat		2017-10-31
Salma Abdelmoniem Abdelbagi Ali		2021-03-31

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Linked charities

- BARNARD CASTLE SCHOOL (1125375-1)
- FUNDS HELD IN CONNECTION WITH BARNARD CASTLE SCHOOL (1125375-2)

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BARNARD CASTLE SCHOOL

England & Wales - Charity number 1125375

Accounts

Registered company number: 06596258
Registered Charity number: 1125375

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2024

Governors

Mrs C J Sunley, Chair
Mr N J Bliss, Vice Chair
Dr J R Elphick, Vice Chair
Ms S A A Ali
Mr I M Allison
Mr D S Clouston (appointed 1 March 2024)
Prof. N M Girdler (appointed 15 November 2024)
Mr N P Hodges, Old Barnardians Club[1]
Mr P A Kelsall
Ms K J Marshall
Mr R I Moffatt
Mr P D A Mothersill
Mr D C Osborne
Dr J K Ramsingh (resigned 14 October 2023)
Mr E R Rendall
Ms A E Rhodes
Cllr G M Richardson, Durham County Council[1]
Mr D F Starr, Durham University[1]
Ms D Vinsome

[1] Nominated Governors

Company registered number

06596258

Charity registered number

1125375

Registered office

Newgate
Barnard Castle
County Durham
DL12 8UN

Company secretary

Mrs S M Metcalf

The Headmaster

Mr D Cresswell (appointed 1 September 2024)
Mr A C Jackson (resigned 31 August 2024)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

NatWest Bank Plc
29 Newgate Street
Bishop Auckland
County Durham
DL14 7ET

Investment Advisers

BlackRock Fund Managers Limited
12 Throgmorton Avenue
London
EC2N 2DL

Brewin Dolphin
10 Wellington Place
Leeds
LS1 4AN

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

CHAIR'S INTRODUCTION
FOR THE YEAR ENDED 31 AUGUST 2024

The chair presents her statement for the year.

The year has been filled with the vibrant hum of school life with plays, concerts, fixtures, competitions, chapel and, of course, lessons and examinations. The sense of community was clearly apparent when the whole School performed at The Glasshouse (formerly the Sage) in the School's second Whole School Concert. Pupils from every year performed to a packed audience, supported by the whole staff body. It is this support and involvement of the staff which makes the School what it is - a nurturing, challenging, and inclusive environment where each pupil is encouraged to thrive, explore and achieve their fullest potential. The Governors would, once again, like to thank each member of staff for their dedication and their unwavering commitment to achieving the highest standards.

However, since writing the last Trustees Report, the financial challenges which were facing the independent sector have come to bear. The Budget announcement on October 30th 2024 has created the perfect storm for independent schools with the abolition of Business Rate Relief, the increases in minimum wage and N.I., and the removal of their VAT exempt status. The School has been aware of these potential changes for a number of years and has worked hard to ensure that it is run as efficiently as practicable whilst continuing to deliver an excellent education relevant in today's society. During the year, the teaching staff unanimously agreed to exit the Teachers' Pension Scheme (TPS) due to unsustainable cost increases and potential future risks. This difficult but essential decision, which was collaboratively managed with the Common Room, was not only financially sound but demonstrates the staff's dedication to the future of the School and the pupils' success.

Whilst Schools can continue to work hard to mitigate the financial impact of these changes, undoubtedly, the brunt of the financial burden will be borne by the parent body who will see significant fee rises in January 2025.

The ethos of the School is to maintain the fees at an affordable level and financial rigour has continued to achieve this with fee levels in the lower quartile of independent schools in the region. The Governors and the School are committed to ensuring that fees continue to offer exceptional value, and that Barney remains a place of opportunity and ambition.

It remains for me to thank Tony Jackson who left the School at the end of the Academic Year after seven years as Headmaster. Tony's contribution to the School has been immense and he leaves Barnard Castle School in a much stronger position than when he arrived. His clear direction successfully steered the School through the very difficult "Covid years". He never lost sight of the need to deliver an excellent character-filled education but the emphasis he placed on pastoral care and on the mental wellbeing of pupils helped reinforce the sense of the School as a place of tolerance and humanity. He also reinforced the importance of boarding at Barnard Castle at a time when many schools were resiling from it. He encouraged the teaching staff to raise their professional ambitions inside the classroom and beyond; and he empowered the senior leaders within the School to follow his example in upholding the sense of community which represents a particular strength of Barnard Castle.

Finally, we are delighted to welcome Mr David Cresswell who started his tenure as Headmaster on 1st September 2024.

Mrs C J Sunley
Chair of Governors
Date: 07/05/2025

Objectives and Activities

Charitable Objects and Aims

Barnard Castle School is a charitable company limited by guarantee, which owns all the land, buildings and other assets of the School. It is registered with Companies House (Company Number 6596258) and with the Charity Commission (Charity Number 1125375).

The Charitable Objects are to:

- advance education, in particular but not exclusively through the provision of a School in or near Barnard Castle, County Durham and to give religious education in the School in accordance with Christian principles;
- provide facilities in the interests of social welfare for the education, recreation or other leisure activities of the public at large.

Charitable Purpose

Barnard Castle School exists to advance education for public benefit, inspired by our founding motto: "Parvis imbutus tentabis grandia tutus" – "When you are steeped in little things you shall safely attempt great things."

We aim to provide an outstanding co-educational day and boarding education, with a commitment to nurturing ambition, aspiration, character, and community. We strive to inspire young people to fulfil their potential, regardless of background, by offering a broad and balanced curriculum, exceptional pastoral care, and extensive co-curricular opportunities.

Our vision is to be the leading co-educational day and boarding school in the North of England, combining academic excellence with personal growth. Our purpose is to inspire ambition and build character within a down-to-earth, inclusive community where everyone belongs, and where hard work and good humour thrive.

We aim to create a happy and safe environment where pupils develop a lifelong love of learning, embrace small steps toward great achievements, and are empowered to dare greatly in shaping a changing world. We actively promote public benefit through means such as bursary support, outreach programmes, and partnerships with local schools and organisations, ensuring our education has a positive impact both within and beyond our school community.

At the heart of our School ethic is the belief that every pupil should be inspired to achieve their personal best whilst developing the resilience, integrity, and empathy required to contribute meaningfully to society.

Independent Schools Inspectorate

A Focused Compliance and Educational Quality Inspection of both the Senior and Prep Schools was undertaken by the ISI (Independent Schools Inspectorate) in April 2023.

In addition to meeting all compliance measures, the inspectors awarded the School the top rating of 'Excellent' for both 'Academic Achievement' and 'Personal Development'.

Objectives and Activities (continued)

Parent and Alumni Engagement

The School prides itself on its values of openness, transparency and trust and values its partnership with the parent body and Alumni.

Every organisation, regardless of sector, should continue to seek ways to improve its offering, and the School, using the services of an independent consultant, ran an anonymous parent survey during Summer 2024 seeking the views of its parent body. The responses were overwhelmingly positive and will play a significant part in guiding the strategic decisions of the School in the future.

The Old Barnardians' Club goes from strength to strength and a number of very successful events were held during the year, including the hugely enjoyable 1920s Gala Dinner. OB events continue to be held both in the UK and abroad providing opportunities for former pupils to meet and connect with their peers.

Welfare

The School is committed to safeguarding and promoting the welfare of its pupils and staff and expects all those involved with the School to share this commitment. The objective is to create a culture and community where all pupils, staff and parents can speak openly and confidently and feel that they are being listened to, by each other as well as by the School. The aim is to develop self-aware pupils who are empathetic, are armed with a sense of perspective and gratitude and understand the importance of robust mental health.

In May, the Prep School was awarded the Optimus Education Wellbeing Award for Schools. The final report from the Wellbeing Consultant was incredibly positive about the wellbeing provision in the School.

July 2024 saw the completion of the Wellbeing Centre. This building houses the medical team on the ground floor, with their offices, treatment rooms, space to bed down four pupils, and the School Counsellor on the first floor. In addition, there is a meeting room for medical, pastoral and training purposes.

A Barney Education is not something that merely happens within the classroom or as part of an academic timetable. It is part of an all-encompassing curriculum that factors in classroom and non-classroom engagement. The issues young people have to contend with on a daily basis are increasingly complex, and it is important to create the time and atmosphere to engage on such topics.

Wellbeing is embedded in the curriculum with themed lessons and programmes where pupils, either in one-to-one sessions with their tutors or in a group setting, explore topics such as Mental Health, Equality and Diversity. This is supported by a varied and inspirational visiting speaker programme.

Throughout their journey through the School, self-reflection and the setting of personal goals by pupils is encouraged with the aid of the Apollo App. This bespoke App is firmly embedded into the curriculum allowing the pupils to set, view and reflect upon personal goals, record their experiences, and look back on their time as they move through the School.

Objectives and Activities (continued)

Curriculum

The School's Motto from its inception in 1883:

> **PARVIS IMBUTUS TENTABIS GRANDIA TUTUS**
> When you are steeped in little things you will safely attempt great things

The School's purpose is achieved with a curriculum which promotes academic rigour and incorporates sport, music, drama and an extensive co-curricular programme designed to stimulate the mind, body and soul, underpinned by robust pastoral care. Pupils appreciate the rewards of endeavour, the wonder of discovery and the richness that comes from an aptitude for life-long learning.

- **Academic**

Although GCSE results nationally have fallen back to pre-pandemic levels, the School's GCSE results showed an improvement on the previous year and continue to track above National Averages. There were some outstanding individual performances, with three students achieving five or more 9 grades. The collective achievement is a testament to the high standards of teaching and learning embedded across all subjects, as well as the pupils' focused and determined attitude.

A Levels also saw an increase in the results of A*-A and A*-C grades compared to the previous year with many students achieving exceptional grades that reflected their personal commitment and the strong support they received from their teachers, peers, and more widely within the School.

Our core values and purpose continue to drive our support for all children with specialist support for children with specific educational needs whilst educating our whole community to understand and appreciate cognitive diversity.

With a spirit of continuous improvement, supported by the feedback received from parents in the parent survey, the focus to continually develop and enhance the academic achievement of all our students is a strategic priority.

- **Co-curricular Programme and House Activities**

The Co-curricular Programme and House Activities play a central role in life at Barney and participation in these activities is seen as a core requirement for all pupils allowing them to develop their character and learn new skills.

Prep School offers over 40 different activities including Hockey, Rugby, Taekwondo, Ballet, Art Club, Maths Games and British Sign Language, to name a few. This breadth of opportunities continues into Senior School where pupils are encouraged to expand their interests and try new activities, such as CCF, Duke of Edinburgh, or a pupil-led Society.

- **Sport**

Sport continues to thrive with all pupils taking regular part in a diverse range of sporting activities, benefitting from specialised coaching and extensive facilities. Over 98 % of pupils have represented the School in sport. Pupils are encouraged to continue these activities outside the School and 86 pupils, from both Prep and Senior Schools, represented their County in one or more of the focus sports of rugby, hockey, cricket and netball. The resilience, courage, teamwork, camaraderie, humility, and dedication demonstrated by the pupils in their sporting endeavours has been second to none.

Objectives and Activities (continued)

Highlights from the year include:

- The School achieved TASS (Talent Athlete Scholarship Scheme) accreditation, becoming one of only 11 schools nationwide to receive the honour. This Sport England funded scheme is a collaborative initiative that connects young athletes with specialist educational institutions and national sports governing bodies. Traditionally awarded to universities, this prestigious accreditation places the School amongst just three schools in the region to hold this status. This accreditation will provide exceptional support to pupils excelling in both their sport and academic life, offering them access to top-tier universities for their chosen disciplines and helping identify the best development pathways for their athletic careers.

- Barnard Castle School has been recognised as one of the top 100 schools for cricket in the UK by the Cricketer magazine. This prestigious accolade highlights the School's commitment to excellence and its outstanding success in the sport.

- The School successfully organized 2 ECB Umpire courses tailored for the pupils. One course was dedicated to the senior players and staff and the other was an all-girls umpire course.

- In rugby, 15 boys completed their Rugby Referee's course adding to the growing number of officials at the School.

- In hockey, 4 pupils completed the online England Hockey umpire course.

- Internationally, 2 pupils represented England with a pupil playing for Netball U19 England and another playing for Rugby U18 England.

- In the Prep School a pupil continued their success on the golf course by qualifying for the British Open Golf Tournament.

- **Music and Drama**

Music and Drama play an important role in character education and continue to engage the pupils with tremendous support for School productions and for the various School Choirs, Bands and Ensembles which performed both internally as well as externally.

A highlight of the year was the return to The Glasshouse (formerly The Sage) where the whole School, including staff, took part in an evening which saw performances from the Joint Schools' Orchestra, the Prep School Chamber Choir, the Senior School Chamber Choir, the Chapel Choir, the Jazz Band, the Wind Band, a Saxophone Ensemble, and large-scale performances from every pupil in the School.

In Prep School over 130 pupils performed in the full-length musical, "Seussical the Musical" to a packed audience over three nights. Senior School staged an immersive performance of "Bugsy Malone" turning Big School into a speakeasy, whilst the Sixth Form play was the "Accidental Death of an Anarchist". In Lent Term, pupils from Year 10 to Year 13 performed in the sell-out production of "Spamalot" supported by an entirely student-led tech crew.

- **Combined Cadet Force (CCF)**

CCF offers pupils a broad range of challenging, exciting, adventurous, and educational activities aimed at developing personal responsibility, leadership, and self-discipline.

The cadets enjoyed a variety of field days and residential weekends, and Barney retained their title as winners of the Brigade Exercise Black Rat Cadet Challenge. Further success was achieved in the Trinity Term at Exercise Cambrian Patrol, a competition designed to push the cadets to their limits, testing them both physically and mentally. The Barney team was awarded the gold medal standard plus overall national champion CCF.

Objectives and Activities (continued)

- **Duke of Edinburgh Award**

The Duke of Edinburgh programme continues to be very popular with pupils. During the year, 59 pupils completed expedition training, 8 completed their Gold Award, 25 achieved their Silver Award and 31 completed their Bronze Award. In the Prep School, 26 pupils completed their Junior Duke Award during the Michaelmas Term.

Public Benefit

The Governors confirm that they have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Advance of Education

The School's key public benefit is delivered through the provision of education for its pupils.

In addition to educating pupils privately and saving the public purse and annual sum in excess of £4million, assuming a cost of £6,000 per pupil per annum, the School contributes to both national and local economies and also generates funds from overseas. Oxford Economics and Independent School Council Research undertook an assessment which showed that the School's contribution to national GDP in the financial year 2021/22 was £19m, including the provision of a £12m contribution to County Durham's GDP. The Governors believe that this assessment remains valid, and that the School's contribution to both the national and local economies will have increased as a result of factors such as the increased minimum wage and inflation.

Transformational Bursaries and Scholarships

Providing access to children, regardless of their means, has been a core tenet of the School since 1883, when the first governing document enshrined this principle. While the School does not have the benefit of a strong financial endowment, the School continues to offer support to pupils through Bursaries and Scholarships. Parents are encouraged to apply for Bursaries, which are awarded based on a fair and rigorous means testing process; the means assessment is revisited each year.

During the year, 34 children received a Bursary, equivalent to 7 full fee places. In addition, 3 Ukrainian refugee pupils displaced by the conflict, were provided with a free place.

The School continues to support the Royal National Children's Spring Board foundation (RNCSF) with 3 pupils receiving a Bursary. The Charity aims to provide transformational Bursaries for children in foster care by placing them in independent schools.

Support of the Local Community

A core principle of the School is to provide its facilities in support of the local community wherever it is realistic to do so, providing a positive and valued contribution and advancing the cause of education and social welfare. During the year, the School has continued to provide facilities and support to a number of public organisations including:

(continued)

Use of the School's sports facilities provided to:

- Raby Castle Cricket Club
- Barnard Castle Cricket Club
- Middleton Cricket Club
- Glaxo Squash Club
- Glaxo Football Club
- Durham Palatinates Netball Club
- Classic Car Show
- North-East Netball Club
- Teesdale Operatic Society
- Durham County School Cross Country
- Pony Club Triathlon
- Durham County Cricket (various ages)
- Girls U11 County Cricket
- Scottish Exiles
- North-East Pentathlon
- Durham City Satellite Hockey Club
- Durham County Cricket

Professional development:

- Hosting professional development opportunities for teachers and support staff from other schools.
- Governors and staff serve on the Governing Bodies of various maintained schools.
- The School provides many examiners to the main examination boards and one of its Heads of Department advises Durham University on PGCE applicants.

Hosting events:

- The Festival Weekend, held in the Michaelmas term, saw the School host 32 rugby teams and 12 hockey teams from both the state and independent sector allowing over 400 children the opportunity to safely return to sport.
- The School organised cricket clinics and workshops for local primary schools and community groups, promoting sport at the grassroots level and strengthening ties with the local community. The Barney Year 3 Cricket Festival saw over 200 pupils from 8 different primary schools experiencing coaching and game play.
- Summer Activity Weeks for children between the ages of 4 and 11 continue to be open to the whole community.

Use of the School's facilities:

- Duke of Edinburgh's Award local assessors use the School as a meeting place for coordination and planning.
- Barnard Castle School Choral Society use the School Chapel.
- The Chapel is available for use by the community and visitors are encouraged on Heritage Open Days.
- The School makes additional parking available without charge to the Bowes Museum on busy occasions and for special exhibitions. Further, the School is a designated place of safety for the Bowes Museum's collection of art and artefacts.
- The School's playing fields are used as landing zones for helicopters carrying members of the Royal Family and other dignitaries to local engagements.

In addition to the above, the Activity Programme provides an opportunity for all pupils and staff to provide a service to the wider community with activities such as planting hedgerows, litter picking, and organising fund-raising events. The School's Charity Committee selected CRY (Cardiac Risk in the Young) as their chosen charity this year and over £7,000 has been raised by the pupils for this very worthwhile organisation.

Financial review

Trading Performance

The Financial Statements show an operating deficit of £43,878 before investment gains and pension adjustments (2023: surplus of £398,900). Increases in annual costs due to the high levels of inflation were mitigated to an extent by stable pupil numbers.

The School is committed to financial sustainability and has made significant adjustments to its cost base including the withdrawal during the year from the following defined benefit pension schemes; the Teachers' Pension Scheme England and Wales (TPS) and the Durham County Council Pension Scheme. Withdrawal from the latter resulted in a repayment of £1,568,900 from Durham County Council. This has been shown as an exceptional item within the Statement of Financial Activities. The affected employees have been transferred to defined contribution pension schemes. Full details can be found in the Notes to these Accounts.

The net assets of the School at the balance sheet date were £10,755,393 (2023: £9,212,325). Fixed asset additions amounted to £1,025,250 in the year and included the creation of a Wellbeing Centre and continued investment in the boarding facilities.

Reserves and Investment Policy

The policy of the School is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in its infrastructure. As at 31 August 2024, the School held fund balances of £10,755,393 comprising £10,069,516 unrestricted funds, £640,002 restricted funds and £45,875 endowment funds.

After making appropriate enquiries the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

Investment Policy

The Governors' investment powers are derived from the powers vested in them under the School's Articles of Association and they have delegated the management of the investment portfolio to Brewin Dolphin and BlackRock. The Governors' investment policy is to adopt a low to medium risk investment strategy.

Risk Management

The Governors have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against the key risks faced by the School. The School maintains an up to date register of the main areas of risk to the ongoing operations of the School. Risks are categorised as Governance and Strategic, Operational, Financial and External.

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to identify and minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects coupled with the judicious use of cash reserves to deal with monthly fluctuations in cash flow.

Future Plans

The School's Strategic Plan, supported by the Development Plan and Capital Plan, set out the plans of the Headmaster and his Senior Management Team for the School for the next 5 to 10 years. These documents are regularly reviewed and updated and have the full support of the Governing Body. The Plans have a level of flexibility incorporated within them to allow for the occurrence of unforeseen events and to ensure that there is a balance between continuing investment in the growth and development of the School and its long-term sustainability.

Structure, governance and management

Governing Document

The governance of the Charity is set out in its governing document, the Memorandum and Articles of Association. The Charity is a limited company, limited by guarantee, as defined by the Companies Act 2006. The most recent amendment to the Articles of Association was made on 13th September 2019 when the current Articles of Association were adopted.

Board of Trustees

The School is governed by a Board of Governors (the Board), comprising Foundation Governors who are appointed by a resolution of the Board, and Nominated Governors who are nominated by the relevant organisations listed in the Articles of Association and appointed by a resolution of the Board.

The Board of Governors identifies suitable Foundation candidates with the skills and experience appropriate to the perceived needs of the School and who will contribute to maintaining a balanced, diverse and effective Board. A Governors' skills matrix is maintained to ensure that the core requirement to recruit responsible individuals with an active interest, the time necessary to fulfil their duties and the complementary expertise to add value to the Board, is achieved.

The Governors all give their time freely and accordingly no remuneration was paid in the year. Details of any expenses and related party transactions are disclosed in note 30 to the Accounts.

Governor Training

All new Governors are given a copy of the School's Governor Handbook and an induction which includes a full tour of the School and meetings with key management and staff, and a range of students. Governor training is an ongoing process achieved through internal training and by training programmes and best practice manuals provided by organisations such as AGBIS. All Governors regularly complete a self-review, and a general governing body audit is conducted together with an individual skills assessment which provides the opportunity to analyse contribution and to identify any new requirements or additional training needs.

Day to Day Management

The Board determines the general policy and strategic direction of the School in close collaboration with the Head and the Senior Management Team who are responsible for its implementation and administration throughout the Senior and Prep Schools. The day-to-day management of the School, therefore, is delegated to the Head, who undertakes the key leadership role overseeing educational, pastoral and administrative functions, supported by his Senior Management Team.

Structure, governance and management (continued)

Governor Meetings

The full Board of Governors meets formally three times a year with the Headmaster and his Senior Management Team in attendance. The purpose of the meetings is to determine, agree and ensure effective implementation of the strategic direction, general policies and procedures and financial oversight of the School. To facilitate this process and to ensure optimal output, four committees have been established, each of which meets at least once a term. The members of the committees are selected for their specific relevant expertise and are allocated individual areas of responsibility. The four committees are as follows:

- Finance & Estates (Including Risk and Audit)
- Education, Welfare & Staff Development
- Strategy, Marketing & Development
- Governance

The Terms of Reference of each committee are reviewed annually by the full Board.

Pay Policy for Senior Staff

The remuneration of the Head is set by the Chair and Vice Chairs of the Board. Senior management salaries are set by the Head and reviewed by the Finance & Estates Committee using a set of diverse criteria including, inter alia, benchmark reports provided by sector associations such as AGBIS, IAPS and the ISC, together with those of respected consultants within the sector.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the Board of Governors on .....09/05/2025..... and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2024

The Governors (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

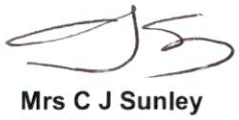
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

In so far as the Governors are aware:

- there is no relevant audit information of which the charity auditor are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the Board of Governors on ....09/05/2025.... and signed on its behalf by:



Mrs C J Sunley
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL

Opinion

We have audited the financial statements of Barnard Castle School (the 'charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 Charity'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. 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 course of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Charity. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, charity law, company law, health and safety law, food and hygiene regulations, taxation law, Independent Schools Regulator and GDPR.
- Enquiry of Governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Use of our report

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Owen LLP

Martin Hobson FCCA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 9 MAY 2025

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations and legacies	3	11,851	-	-	11,851	384,990
Charitable activities:	6					
School fees		13,834,321	-	-	13,834,321	12,412,904
Other income		39,028	-	-	39,028	43,629
Cost of providing school buses		(14,955)	-	-	(14,955)	(6,001)
Remissions		(1,330,351)	-	-	(1,330,351)	(1,226,652)
Other trading activities	4	204,182	-	-	204,182	189,533
Investments	5	111,226	53,276	-	164,502	54,799
Total		12,855,302	53,276	-	12,908,578	11,853,202
Expenditure on:						
Raising funds	7	48,881	2,824	-	51,705	55,678
Charitable activities:						
Teaching and governance		7,285,426	-	-	7,285,426	6,529,900
Premises		2,968,843	-	-	2,968,843	2,717,647
Welfare		1,351,403	-	-	1,351,403	1,206,327
Other charitable activities		1,289,732	5,347	-	1,295,079	944,750
Total		12,944,285	8,171	-	12,952,456	11,454,302
Net (expenditure)/income before net gains/(losses) on investments		(88,983)	45,105	-	(43,878)	398,900
Net gains/(losses) on investments		-	18,046	-	18,046	(3,427)
Net (expenditure)/income before taxation		(88,983)	63,151	-	(25,832)	395,473
Exceptional items	13	1,568,900	-	-	1,568,900	-
Net income		1,479,917	63,151	-	1,543,068	395,473
Transfers between funds	24	16,995	(16,995)	-	-	-
Net movement in funds		1,496,912	46,156	-	1,543,068	395,473

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Reconciliation of funds:						
Total funds brought forward		8,572,604	593,846	45,875	9,212,325	8,816,852
Net movement in funds		1,496,912	46,156	-	1,543,068	395,473
Total funds carried forward		10,069,516	640,002	45,875	10,755,393	9,212,325

The notes on pages 23 to 46 form part of these financial statements.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06596258

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note		2024 £		2023 £
Fixed assets					
Intangible assets	14		79,795		101,473
Tangible assets	15		10,596,577		10,380,529
Investments	16		573,879		511,996
			11,250,251		10,993,998
Current assets					
Stocks	17	62,002		56,371	
Debtors	18	617,929		789,056	
Cash at bank and in hand		4,646,067		2,479,629	
		5,325,998		3,325,056	
Creditors: amounts falling due within one year	19	(4,034,632)		(3,161,442)	
Net current assets			1,291,366		163,614
Total assets less current liabilities			12,541,617		11,157,612
Creditors: amounts falling due after more than one year	20		(1,786,224)		(1,945,287)
Net assets excluding pension asset			10,755,393		9,212,325
Total net assets			10,755,393		9,212,325

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06596258

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Charity funds			
Endowment funds	24	45,875	45,875
Restricted funds	24	640,002	593,846
Unrestricted funds	24	10,069,516	8,572,604
Total funds		10,755,393	9,212,325

The financial statements were approved and authorised for issue by the Governors on ....9/25/2025..... and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	26	3,297,892	1,290,894
Cash flows from investing activities			
Proceeds from the disposal of tangible fixed assets		-	900
Purchase of intangible assets		(5,520)	(99,038)
Purchase of tangible fixed assets		(1,025,250)	(1,094,039)
Proceeds from sale of investments		43,612	45,511
Purchase of investments		(51,891)	(49,981)
Dividend income		53,276	16,133
Interest received		111,226	38,666
Net cash used in investing activities		(874,547)	(1,141,848)
Cash flows from financing activities			
Loan repayments in year		(49,523)	(49,085)
Capital repayments in year		(97,368)	(97,369)
Repayments of finance leases		(110,016)	(135,639)
Net cash used in financing activities		(256,907)	(282,093)
Change in cash and cash equivalents in the year		2,166,438	(133,047)
Cash and cash equivalents at the beginning of the year		2,479,629	2,612,676
Cash and cash equivalents at the end of the year	27	4,646,067	2,479,629

The notes on pages 23 to 46 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006. The financial statements have been prepared under the historial cost convention with the exception of investments which are included at market value.

There were no material departures from the standard.

Barnard Castle School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements are reported in £ sterling.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred in directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.3 Expenditure (continued)

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.4 Tangible fixed assets and depreciation

No depreciation is provided on freehold land.

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 5% straight line
Motor vehicles	- 10 - 25% straight line
Fixtures and fittings	- 5 - 33% straight line
Building alterations	- 2 - 20% straight line
Computer equipment	- 20 - 33% straight line

1.5 Intangible assets and amortisation

Intangible assets are initially recognised at cost and subsequently stated at cost net of amortisation and any provision for impairment. Intangible assets are being amortised over their expected useful lives on the following straight line basis:

Amortisation is provided on the following basis:

Computer Software	- 20 - 25% straight line

1.6 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

1.7 Taxation

The Charity is exempt from corporation tax on its charitable activities.

From 1 January 2025, the income of the Charity is subject to VAT.

1. Accounting policies (continued)

1.8 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent the permanent funds of the School. All income generated by these funds are unrestricted and used for the purpose of the School.

Investment income, gains and losses are allocated to the appropriate fund.

1.9 Pensions

Retirement benefits to employees of the Charity were provided by the Teachers' Pension Scheme ("TPS"), a defined benefit scheme. Non-teaching staff are offered retirement benefits by The Pension Trust, a defined contribution scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The Charity exited from the Teachers' Pension Scheme on 31 August 2024. The Charity now operates a defined contribution pension scheme with Royal London Group for teaching staff.

The Charity exited from the Local Government Pension Scheme on 10 March 2023. Members of this scheme now use the defined contribution scheme for support staff with The Pensions Trust.

1.10 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.11 Provisions

Provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, for which it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1. Accounting policies (continued)

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.13 Financial instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.
Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20 . Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

2. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Bad debt provision - the full provision provides for 100% of balances that are not considered to be recoverable. The total bad debt provision within the financial statements is £228,407 (2023: £123,487).

3. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	10,851	10,851	68,145
Legacies	1,000	1,000	316,845
Total 2024	11,851	11,851	384,990
Total 2023	384,990	384,990	

4. Income from other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Lettings and event income	204,182	204,182	189,533
Total 2024	204,182	204,182	189,533
Total 2023	189,533	189,533	

5. Investment income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment income from listed investments	-	53,276	53,276	16,133
Deposit account interest	111,226	-	111,226	38,666
Total 2024	111,226	53,276	164,502	54,799
Total 2023	38,666	16,133	54,799	

6. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
School fees	13,834,321	13,834,321	12,412,904
Other income	39,028	39,028	43,629
Net cost of providing school buses	(14,955)	(14,955)	(6,001)
Remissions	(1,330,351)	(1,330,351)	(1,226,652)
Total 2024	12,528,043	12,528,043	11,223,880
Total 2023	11,223,880	11,223,880	

7. Raising funds - expenditure

Other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Lettings and event costs	48,881	-	48,881	52,447
Investment management fees	-	2,824	2,824	3,231
	48,881	2,824	51,705	55,678
Total 2023	52,447	3,231	55,678	

8. Analysis of charitable expenditure by activities

	Direct costs 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Teaching and Governance	7,013,597	271,829	7,285,426	6,529,900
Premises	2,132,443	836,400	2,968,843	2,719,353
Welfare	1,351,403	-	1,351,403	1,206,327
Other	1,227,698	67,381	1,295,079	943,044
	11,725,141	1,175,610	12,900,751	11,398,624
Total 2023	10,277,202	1,121,422	11,398,624	

In 2024 of the total charitable expenditure of £12,900,751 (2023: £11,398,624), £12,895,404 (2023: £11,393,277) was to unrestricted funds, £5,347 (2023: £5,347) was to restricted funds and £Nil (2023: £Nil) was to endowment funds.

8. Analysis of charitable expenditure by activities (continued)

Analysis of direct costs

	Teaching and Governance 2024 £	Premises 2024 £	Welfare 2024 £	Other 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	6,316,423	901,026	755,147	624,066	8,596,662	7,730,502
Teaching resources	294,909	-	-	-	294,909	279,568
Premises and grounds	-	142,005	-	-	142,005	97,251
Rates	-	144,223	-	-	144,223	140,962
Insurance	20,468	107,913	-	-	128,381	110,100
Light, heat and water	-	310,904	-	-	310,904	301,292
Other teaching costs	234,487	-	-	-	234,487	232,726
Travel	147,310	-	-	-	147,310	119,765
Catering	-	-	568,034	-	568,034	514,814
Laundry	-	-	7,296	-	7,296	3,762
Nursing	-	-	20,926	-	20,926	15,369
Cleaning	-	85,566	-	-	85,566	82,350
Maintenance	-	440,806	-	-	440,806	334,277
Marketing and development	-	-	-	182,103	182,103	114,079
IT costs	-	-	-	141,898	141,898	106,648
Administration	-	-	-	108,191	108,191	94,907
Recruitment	-	-	-	65,740	65,740	23,884
Bad debts	-	-	-	105,700	105,700	(25,054)
	7,013,597	2,132,443	1,351,403	1,227,698	11,725,141	10,277,202
Total 2023	6,256,203	1,949,242	1,206,327	865,430	10,277,202	

8. Analysis of charitable expenditure by activities (continued)

Analysis of support costs

	Teaching and Governance 2024 £	Premises 2024 £	Other 2024 £	Total funds 2024 £	Total funds 2023 £
Depreciation and amortisation	-	836,400	-	836,400	770,617
Surplus on disposal of assets	-	-	-	-	(506)
Bank charges	-	-	16,995	16,995	14,210
Bank interest	-	-	47,368	47,368	52,444
Leasing interest	-	-	3,018	3,018	10,271
Interest paid to HMRC	-	-	-	-	689
Governance costs	271,829	-	-	271,829	273,697
	271,829	836,400	67,381	1,175,610	1,121,422
Total 2023	273,697	770,111	77,614	1,121,422	

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Auditors' remuneration	17,000	16,200
Depreciation - owned assets	755,534	712,930
Depreciation - assets on finance lease	53,668	53,668
Surplus on disposal of fixed assets	-	(506)
Computer software amortisation	27,198	4,019
Operating lease payments	88,208	75,806

10. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	17,000	16,200
Fees payable to the Charity's auditor in respect of:		
All taxation advisory services not included above	600	475
All non-audit services not included above	2,960	6,019

11. Governors' remuneration and benefits

During the year, no Governor received any remuneration or other benefits (2023: £Nil).

During the year ended 31 August 2024, travel expenses, being the only expenses reimbursed to Governors, totalled £3,214. These were reimbursed or paid directly to 4 Governors (2023 - £2,348 to 4 Governors).

12. Staff costs

	2024 £	2023 £
Wages and salaries	6,820,926	6,072,294
Social security costs	671,879	600,322
Other pension costs	1,103,857	1,057,886
	8,596,662	7,730,502

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

	2024 No.	2023 No.
Teaching	115	111
Support	24	22
Welfare	29	32
Premises	38	39
	206	204

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	-
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

Pension contributions of £116,963 (2023: £100,326) were made to defined benefit and contribution schemes on behalf of these employees.

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the School was £722,244 (2023: £731,430).

13. Exceptional items

	2024 £	2023 £
LGPS exit repayment	1,568,900	-

The Charity exited the LGPS, a funded defined benefit pension scheme, with assets held in separate government-administered funds, on 10 March 2023. During this year, the Charity received a repayment of £1,568,900 from Durham County Council in relation to the exit. This has been shown as an exceptional item on the Statement of Financial Activities.

14. Intangible assets

	Computer software £
Cost	
At 1 September 2023	143,172
Additions	5,520
At 31 August 2024	148,692
Amortisation	
At 1 September 2023	41,699
Charge for the year	27,198
At 31 August 2024	68,897
Net book value	
At 31 August 2024	79,795
At 31 August 2023	101,473

15. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2023	15,312,165	1,015,714	2,260,734	64,541	859,645	19,512,799
Additions	830,017	-	169,872	-	25,361	1,025,250
At 31 August 2024	16,142,182	1,015,714	2,430,606	64,541	885,006	20,538,049
Depreciation						
At 1 September 2023	6,516,304	336,015	1,603,091	23,312	653,548	9,132,270
Charge for the year	517,601	50,786	135,599	6,210	99,006	809,202
At 31 August 2024	7,033,905	386,801	1,738,690	29,522	752,554	9,941,472
Net book value						
At 31 August 2024	9,108,277	628,913	691,916	35,019	132,452	10,596,577
At 31 August 2023	8,795,861	679,699	657,643	41,229	206,097	10,380,529

Included in cost of freehold property is freehold land of £55,240 (2023: £55,240) which is not depreciated.

Fixed assets, included in the above, which are held under finance leases are as follows:

	2024 £	2023 £
Cost		
At 1 September	1,033,341	1,033,341
Additions	14,400	-
Transferred to ownership	(993,321)	-
	54,420	1,033,341
Depreciation		
At 1 September	335,960	282,292
Charge for year	56,068	53,668
Transferred to ownership	(380,624)	-
	11,404	335,960
Net book value		
At 31 August	43,016	697,381

16. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2023	511,996
Additions	51,891
Disposals	(43,612)
Revaluations	53,604
At 31 August 2024	573,879
Net book value	
At 31 August 2024	573,879
At 31 August 2023	511,996

17. Stocks

	2024 £	2023 £
Stocks	62,002	56,371

18. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	60,738	265,292
Other debtors	11,254	6,153
Prepayments and accrued income	545,937	517,611
	617,929	789,056

19. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank loans (see note 21)	109,634	146,085
Trade creditors	640,329	546,402
Other taxation and social security	314,703	286,386
Finance leases (see note 22)	8,578	119,796
Other creditors	278,582	244,703
Accruals and deferred income	2,682,806	1,818,070
	4,034,632	3,161,442

	2024 £	2023 £
Deferred income		
Deferred income at 1 September 2023	1,687,355	1,623,327
Resources deferred during the year	2,616,327	1,687,355
Amounts released from previous periods	(1,687,355)	(1,623,327)
	2,616,327	1,687,355

Deferred income at the balance sheet date is in relation to monies received for school fees and courses for periods from 1st September 2024.

20. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Bank loans (see note 21)	1,492,983	1,603,423
Finance leases (see note 22)	17,585	16,383
Other creditors	275,656	325,481
	1,786,224	1,945,287

21. Loans

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year on demand:		
Loans	109,634	146,085
Amounts falling between one and two years:		
Loans - 1-2 years	1,492,983	110,440
Amounts falling due between two and five years:		
Loans - 2-5 years	-	1,492,983

The SONIA (previously LIBOR) bank loan is repayable over a period of 14 years on a quarterly basis with interest charged at 2.4% above SONIA. The remaining term of this loan is 3 months. In December 2021 on the cessation of LIBOR, the loan transitioned to SONIA interest rates.

The two Coronavirus Business Interruption Loans received in November 2020 are repayable over a period of 6 years. The first loan is repayable on a monthly basis which started 13 months after drawdown with fixed interest charged at 2.59% for 5 years with the 6th year at 2.34% above the Bank base rate. The second loan can be repaid without penalty at any time within the 6 year period with fixed interest charged at 2.66% for 5 years with the 6th year at 2.34% above the Bank base rate. The remaining term on these loans is 2 years and 3 months.

22. Leasing agreements

	Finance Leases 2024 £	Finance Leases 2023 £
Net obligations repayable:		
Within one year	8,578	119,796
Between one and five years	17,585	16,383
	26,163	136,179

The finance leases relates to a tractor, ride on mower, and to the installation and purchase of a Biomass Boiler System. The term of the tractor lease is 5 years ending in April 2027. The term of the ride on mower lease is 5 years ending in October 2028. The term of the Biomass lease is 7 years and ended in July 2024. The Biomass Boiler System is accredited by the OFGEM Non Domestic Renewable Heat Incentive Scheme.

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024 £	2023 £
Within one year	80,707	74,018
Between one and five years	70,292	114,124
	150,999	188,142

23. Secured debts

The following secured debts are included within creditors:

	2024 £	2023 £
Coronavirus Business Interruption Loans	1,590,351	1,687,719
SONIA Loan	12,266	61,789
Finance leases	26,163	136,179
	1,628,780	1,885,687

The SONIA loan is secured by way of a legal mortgage and fixed charge over the School's land.

The Coronavirus Business Interruption Loans are secured by way of a legal charge and debenture over the School land and buildings excluding the 'third' field.

The finance lease contract is secured over the assets to which they relate.

24. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Exceptional item £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds							
Revenue reserve	7,972,604	12,855,302	(12,944,285)	-	16,995	-	7,900,616
Designated Funds	600,000	-	-	-	-	-	600,000
LGPS	-	-	-	1,568,900	-	-	1,568,900
	8,572,604	12,855,302	(12,944,285)	1,568,900	16,995	-	10,069,516
Endowment funds							
Foundation endowment	45,875	-	-	-	-	-	45,875
Restricted funds							
Barnard Castle School Prize & Scholarship Fund	464,921	53,276	(2,824)	-	-	18,046	533,419
Hearnshaw Legacy	55,660	-	-	-	(16,995)	-	38,665
Science Centre Donation	73,265	-	(5,347)	-	-	-	67,918
	593,846	53,276	(8,171)	-	(16,995)	18,046	640,002
Total of funds	9,212,325	12,908,578	(12,952,456)	1,568,900	-	18,046	10,755,393

24. Statement of funds (continued)

Designated Funds contain legacies received by the School which will be used to invest in capital projects.

The Foundation Endowment was formed when the School was established. This is considered to be an endowed fund which is held in the form of land.

The Barnard Castle School Prize & Scholarship Fund is used for funding scholarships and the purchase of prizes.

The Hearnshaw Legacy was a legacy received for the payment of a scholarship for an A Level science place.

The Science Centre fund was initially given to invest in science capital projects. However an opportunity arose in a prior year for two projects, the sports hall refurbishment and creation of the music performance space. The donor was approached and gave his permission for the money to be used in this manner. Depreciation relating to these assets is allocated to the fund annually.

24. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Revenue reserve	7,565,763	11,837,069	(11,445,724)	15,496	-	7,972,604
Designated Funds	600,000	-	-	-	-	600,000
	8,165,763	11,837,069	(11,445,724)	15,496	-	8,572,604
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	455,446	16,133	(3,231)	-	(3,427)	464,921
Hearnshaw Legacy	71,156	-	-	(15,496)	-	55,660
Science Centre Donation	78,612	-	(5,347)	-	-	73,265
	605,214	16,133	(8,578)	(15,496)	(3,427)	593,846
Total of funds	8,816,852	11,853,202	(11,454,302)	-	(3,427)	9,212,325

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

25. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	10,487,696	63,006	45,875	10,596,577
Intangible fixed assets	79,795	-	-	79,795
Fixed asset investments	-	573,879	-	573,879
Current assets	5,322,881	3,117	-	5,325,998
Creditors due within one year	(4,034,632)	-	-	(4,034,632)
Creditors due in more than one year	(1,786,224)	-	-	(1,786,224)
Total	10,069,516	640,002	45,875	10,755,393

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	10,266,301	68,353	45,875	10,380,529
Intangible fixed assets	101,473	-	-	101,473
Fixed asset investments	-	511,996	-	511,996
Current assets	3,311,559	13,497	-	3,325,056
Creditors due within one year	(3,161,442)	-	-	(3,161,442)
Creditors due in more than one year	(1,945,287)	-	-	(1,945,287)
Total	8,572,604	593,846	45,875	9,212,325

26. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	1,543,068	395,473
Adjustments for:		
Depreciation charges	809,202	766,594
Amortisation charges	27,198	4,019
(Gains)/losses on investments	(53,604)	3,427
Bank interest received	(111,226)	(38,666)
Profit on the sale of fixed assets	-	(506)
(Increase)/decrease in stocks	(5,631)	(1,326)
Decrease in debtors	171,127	30,308
Increase in creditors	971,034	147,704
Dividend income	(53,276)	(16,133)
Net cash provided by operating activities	3,297,892	1,290,894

27. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank	4,646,067	2,479,629
Total cash and cash equivalents	4,646,067	2,479,629

28. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	2,479,629	2,166,438	4,646,067
Debt due within 1 year	(146,085)	36,451	(109,634)
Debt due after 1 year	(1,603,423)	110,440	(1,492,983)
Finance leases	(136,179)	110,016	(26,163)
	593,942	2,423,345	3,017,287

29. Pension commitments

The Charity's employees belong to two principal pension schemes:

The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, a multi-employer defined benefit scheme. The Charity exited the TPS on 31 August 2024. The Charity now operates a defined contribution pension scheme with Royal London Group for academic and related staff.

The Charity operates a defined contribution pension scheme for non-teaching staff. Contributions are made to the defined contribution scheme on behalf of its employees, the cost of these contributions being charged to the Charity's Statement of Financial Activities.

Contributions amounting to £148,261 (2023: £123,651) were payable to the schemes at 31 August 2024 and are included within creditors.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in schools. All teachers have the option to optout of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024. This is an increase of 5% in employer contributions and the cost control.

- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The next valuation results is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the year amounted to £926,799 (2023: £863,526), these being up to the point the Charity exited the scheme on 31 August 2024.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

29. Pension commitments (continued)

Local Government Pension Scheme

The Charity exited the LGPS, a funded defined benefit pension scheme, with assets held in separate government-administered funds, on 10 March 2023. During the year, the Charity received a repayment of £1,568,900 from Durham County Council in relation to the exit. This has been shown as an exceptional item within the Statement of Financial Activities.

The total employer's contributions for the year ended 31 August 2024 totalled £Nil (2023: £89,357).

30. Related party transactions

During the year Governors made donations of £1,440 (2023: £1,840) towards school activities, and £820 (2023: £100) was paid to staff as well wishes gifts.

P D A Mothersill is a Trustee of The Bowes Museum. During the year purchases of £216 (2023: £742) were made for Museum visits and room hire.

N P Hodges is a Director of The Witham Hall Ltd. During the year purchases of £395 (2023: £884) were made for workshops.

D C Osborne is a Director of Roman Limited. During the year sales of £175 (2023: £Nil) were made for brochures.

G M Richardson is a Director of Teesdale West Durham Community Interest Company. During the year purchases of £4,350 (2023: £Nil) were made for outdoor activities.

31. Company limited by guarantee

The School is a company limited by guarantee. The members of the School are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

BARNARD CASTLE SCHOOL

England & Wales - Charity number 1125375

Accounts

Registered company number: 06596258
Registered Charity number: 1125375

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2023

Governors

Mrs C J Sunley, Chair
Mr N J Bliss, Vice Chair
Ms S A A Ali
Mr I M Allison
Dr J R Elphick, Vice Chair
Mr N P Hodges, Old Barnardians Club[1]
Mr P A Kelsall
Ms K J Marshall
Mr R I Moffatt
Mr P D A Mothersill
Ms C M Newnam (resigned 30 April 2023)
Mr D C Osborne
Dr J K Ramsingh (appointed 1 November 2022, resigned 14 October 2023)
Mr E R Rendall
Ms A E Rhodes (appointed 1 November 2022)
Mr G M Richardson, Durham County Council[1]
Mr D F Starr, Durham University[1]
Ms D Vinsome

[1] Nominated Governors

Company registered number

06596258

Charity registered number

1125375

Registered office

Newgate
Barnard Castle
County Durham
DL12 8UN

Company secretary

Mrs S M Metcalf

The Headmaster

Mr A C Jackson

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

NatWest Bank Plc
29 Newgate Street
Bishop Auckland
County Durham
DL14 7ET

Investment Advisers

BlackRock Fund Managers Limited
12 Throgmorton Avenue
London
EC2N 2DL

Brewin Dolphin
10 Wellington Place
Leeds
LS1 4AN

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

CHAIR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The chair presents her statement for the year.

It has been a very busy year with pupils embracing the many opportunities available to them providing innumerable highlights with outstanding performances academically, on the sporting field and within the numerous co-curricular activities on offer.

The dedication and hard work of the Staff was acknowledged and celebrated in the inspection in April 2023 by the ISI (Independent Schools Inspectorate). The Inspectors undertook a Focused Compliance and Educational Quality Inspection of both the Senior and Prep Schools and concluded that the School was deemed 'Excellent' for both 'Academic Achievement' and 'Personal Development' (the full report can be found on the School's website). They acknowledged the work that had gone into the curriculum and the School's focus on character education, with specific reference to the Apollo platform. The bespoke Apollo App is now firmly embedded into the curriculum allowing the pupils to set, view and reflect upon personal goals, record their experiences, and look back on their time as they move through the School.

Looking forward, there are a number of well-publicised financial challenges facing the independent education sector over the next few years and the Executive will continue to address these challenges to ensure that the School is well-placed to deal with them, in whatever manner they present themselves.

Finally, the Headmaster, Mr Tony Jackson, will be leaving the School at the end of the 2023/24 Academic Year and Mr David Cresswell will assume the Headship.

Mrs C J Sunley
Chair of Governors
Date:

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

1 Structure, Governance and Management

1.1 School Status

Barnard Castle School is a charitable company limited by guarantee, which owns all of the land, buildings and other assets of the School. It is registered with Companies House (Company Number 06596258) and with the Charity Commission (Charity Number 1125375).

1.2 Governing Document

The governance of the Charity is set out in its governing document, the Memorandum and Articles of Association. The Charity is a limited company, limited by guarantee, as defined by the Companies Act 2006. The most recent amendment to the Articles of Association was made on 13th September 2019 when the current Articles of Association were adopted.

1.3 Board of Trustees

The School is governed by a Board of Governors (the Board), comprising Foundation Governors who are appointed by a resolution of the Board, and Nominated Governors who are nominated by the relevant organisations listed in the Articles of Association and appointed by a resolution of the Board.

The Board of Governors identifies suitable Foundation candidates with the skills and experience appropriate to the perceived needs of the School and who will contribute to maintaining a balanced, diverse and effective Board. A Governors' skills matrix is maintained to ensure that the core requirement to recruit responsible individuals with an active interest, the time necessary to fulfil their duties and the complementary expertise to add value to the Board, is achieved.

The Governors all give their time freely and accordingly no remuneration was paid in the year. Details of any expenses and related party transactions are disclosed in note 29 to the Accounts.

1.4 Governor Training

All new Governors are given a copy of the School's Governor Handbook and an induction which includes a full tour of the School and meetings with key management and staff, and a range of students. Governor training is an ongoing process achieved through internal training and by training programmes and best practice manuals provided by organisations such as AGBIS. All Governors regularly complete a self-review and a general governing body audit is conducted together with an individual skills assessment which provides the opportunity to analyse contribution and to identify any new requirements or additional training needs.

1.5 Operational Management

The Board determines the general policy and strategic direction of the School in close collaboration with the Headmaster and his Senior Management Team who are responsible for its implementation and administration throughout the Senior and Prep schools. The day-to-day management of the School, therefore, is delegated to the Headmaster, who undertakes the key leadership role overseeing educational, pastoral and administrative functions, supported by his Senior Management Team.

1.6 Governor Meetings

The full Board of Governors meets formally three times a year with the Headmaster and his Senior Management Team in attendance. The purpose of the meetings is to determine, agree and ensure effective implementation of the strategic direction, general policies and procedures and financial oversight of the School. To facilitate this process and to ensure optimal output, four committees have been established, each of which meets at least once a term. The members of the committees are selected for their specific relevant expertise and are allocated individual areas of responsibility. The four committees are as follows:

- Finance & Estates (Inc. Risk and Audit)
- Education, Welfare & Staff Development
- Strategy, Marketing & Development
- Governance

The Terms of Reference of each committee are reviewed annually by the full Board.

1.7 Pay Policy for Senior Staff

The remuneration of the Headmaster is set by the Chair and Vice Chairs of the Board. Senior management salaries are set by the Headmaster and reviewed by the Finance & Estates Committee using a set of diverse criteria including, inter alia, benchmark reports provided by sector associations such as AGBIS, IAPS and the ISC, together with those of respected consultants within the sector.

2 Objectives and Activities

2.1 Charitable Objects and Aims

Barnard Castle School is an independent day and boarding school in the North of England for boys and girls from the age of 4 to 18. The Governors and the School are always guided by the charitable objectives:

- to inspire pupils in a safe, happy, and supportive environment; and
- to provide an educational experience which combines academic rigour with a breadth of extra-curricular opportunities designed to help each child to find their own individual focus and to develop to their fullest potential.

The purpose of the School is:

> ***"through creating an inspirational, compassionate, and unpretentious environment, we aim to develop young adults with character. They are happy, confident, resilient, intellectually curious, tolerant, driven, and with a foundation of humanity, who are ready and prepared to face, embrace, and lead in an ever-changing world."***

The cornerstone of School life continues to be characterised by the following values which were laid down at the School's inception in 1883:

- ***Community***
  Our staff and pupils feel part of something bigger than themselves, not just during their time at School, but for the rest of their lives;
- ***Endeavour***
  The School encourages its pupils to be intellectually curious, to be multi-dimensional and to embrace new challenges as they arise;
- ***Integrity***
  Pupils are helped to develop a robust work ethic, to have consistency and humility in their actions towards other people and to apply a strong moral compass in all that they do;
- ***Compassion***
  Being part of the community requires each individual to care about other people's happiness. By developing a high level of emotional intelligence, each pupil is expected to treat others with kindness and understanding;
- ***Duty***
  The School is committed to imbue its pupils with an understanding that they have a moral obligation to serve others and to seek out opportunities to enrich the wider community with an altruistic and selfless outlook; and
- ***Enjoyment***
  The community aspires to bring a sense of fun and enjoyment in all that it does for and with others. By striving to be the best version of ourselves and by adopting the values above, we aim to enjoy our lives and make ourselves and those around us happy and proud.

The Governors confirm that they have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

2.2 Independent Schools Inspectorate

In April 2023, the ISI (Independent Schools Inspectorate) undertook a Focused Compliance and Educational Quality Inspection of both the Senior and Prep Schools.

In addition to meeting all compliance measures, the inspectors awarded the School the top rating of 'Excellent' for both 'Academic Achievement' and 'Personal Development'.

2.3 Welfare

The School is committed to safeguarding and promoting the welfare of its pupils and staff and expects all those involved with the School to share this commitment. The objective is to create a culture and community where all pupils, staff and parents can speak openly and confidently and feel that they are being listened to, by each other as well as by the School. The aim is to develop self-aware pupils who are empathetic, are armed with a sense of perspective and gratitude and understand the importance of a robust mental health.

Wellbeing is embedded into the curriculum with themed lessons and programmes such as "Headspace", which provides a weekly timeslot in which topics such as Mental Health, Equality and Diversity, can be explored in either a group setting, or staff led. As part of this, there is not only dedicated time for one-to-one sessions with their Tutors and opportunities to engage in peer-led discussions on contentious topics, but the School has also seen the immense benefit in providing a varied and inspirational visiting speaker programme.

2.4 Curriculum

The curriculum is broad and balanced, promoting academic rigour and the rewards of endeavour, the wonder of discovery and the richness that comes from an aptitude for life-long learning. Equally essential to the success of pupils at the School is the development of confidence, integrity, resilience and teamwork, which are learnt in a range of sports and from a wealth of cultural and co-curricular activities. The following sections provide a few examples of the many activities undertaken by the pupils and their achievements. Further information can be found on the School's website.

The newly created and bespoke Apollo App, exclusive to the School, is used by students across the full age range to record and reflect on their character development along their 'Barney Journey'. It allows them to set, view and reflect upon personal goals, record their experiences, and look back on their time as they move through the School.

- **Academic**

For both the GCSE and A-Level pupils, these examinations undertaken in Summer 2023 were their first experience of external academic examinations. Ofqual announced earlier in the Summer that "in 2023 we aim to return results that are in line with those of pre-pandemic years". Indeed, the expectations of GCSE results were modified in advance, but the pupils still achieved results which exceeded those in 2019.

The Sixth Form continues to grow, providing an individual programme of guided independence encouraging a productive and reflective approach to private study. In addition to a range of highly valued A Levels and internationally recognised Cambridge Pre-U courses, the pupils have the option to undertake the rigorous, research-based Extended Project Qualification. A successful results day saw each pupil able to continue down their chosen path.

This academic year saw the return of many wide-ranging educational trips and visits following the restrictions of the pandemic. Prep School pupils visited London and France and in Senior School, the much loved trips to Iceland and Greece returned.

- **Activity Programme and House Activities**

An integral part of the character education at Barney is the Activity Programme and House Activities and all pupils throughout the School are encouraged to take part in the excellent array of activities on offer which range from CCF and sport to chess and debating. Participation in these activities is seen as a core requirement for all pupils allowing them to develop their character and learn new skills.

- **Sport**

Sport continues to thrive with all pupils taking regular part in a diverse range of sporting activities. Pupils continue to benefit from the specialised coaching and extensive facilities. A significant number of pupils represented their county as well as competing on a local and national level. The U14 Girls squash team have had a very successful season becoming National School Squash champions. In rugby, a Sixth Form pupil has been selected for the England U18 Rugby camps, and in football, a pupil is now playing for Middlesbrough FC's Ladies first team and has been offered a scholarship to attend university in the USA. Summer 2023 also saw the return of the first sports tour to South Africa since 2019, when 75 tourists took part and played hockey, netball and rugby against a number of schools.

Over the first Exeat weekend in the Michaelmas Term, the School hosted 32 rugby teams and 12 hockey teams for the U10 and U12 hockey and rugby festivals.

Prep School pupils continue to impress in a range of sports. At the HMC Swimming in Leeds two pupils achieved first place, and in equestrian, a pupil represented England at show jumping. The Tag Rugby festival for Year 3s hosted by Prep School was attended by over 200 pupils.

The School has seen a huge increase in participation rates in cricket from years 3 to 13 and hosted a number of cricket events including the Year 3s Cricket Festival which involved over 200 local primary school pupils.

The resilience, courage, teamwork, camaraderie, humility, and dedication demonstrated by the pupils has been second to none.

- **Music and Drama**

Music continues to flourish in the School with the various School Choirs, Bands and Ensembles giving numerous performances internally as well as externally. Chapel Choir, which now boasts over 10% of the Senior School population, sang Evensong at York Minster and Durham Cathedral, and one pupil sang at the Royal Albert Hall as part of the National Youth Choir of Great Britain.

The hugely successful Whole School Musical was Les Miserables and involved a cast of 54 pupils from Years 7 – 13 including 39 soloists, supported by a tech crew of 15, manned entirely by pupils. Senior School pupils also provided their support to Prep School as Years 5&6 performed the musical "Robin and the Sherwood Hoodies" and Years 3&4 performed "The Bee Musical" to appreciative audiences of parents.

The partnership between the School and the Teesdale Operatic Society involved 13 BCS pupils and some staff in their production of School of Rock.

- **Combined Cadet Force (CCF)**

The CCF programme continues to prosper with a cadet strength of 140 Army and 26 RAF cadets. CCF offers pupils a broad range of challenging, exciting, adventurous, and educational activities aimed at developing personal responsibility, leadership, and self-discipline.

RAF cadets attended an Air Experience Flying Day at RAF Leeming and success was achieved in the Black Rat Cadet Challenge where the School were overall champions and at the RFCA Indoor Tri Climb competition.

- **Duke of Edinburgh Award**

The Duke of Edinburgh programme continues to be very popular with 131 pupils participating, of whom 59 completed expedition training, 6 completed their Gold Award and 30 achieved their Silver Award.

The Junior Duke Award, which was introduced into the Prep School in 2021, saw 58 pupils complete their award in the Michaelmas Term.

3 Public Benefit

3.1 Provision of Education

The School's key public benefit is delivered through the provision of education for its pupils.

In addition to educating pupils privately and saving the public purse in excess of £4million, assuming a cost of £6,000 per pupil per annum, the School contributes to both national and local economies and also generates funds from overseas. Oxford Economics and Independent School Council Research undertook an assessment which showed that the School's contribution to national GDP in the financial year 2021/22 was £19m, including the provision of a £12m contribution to County Durham's GDP. The Governors believe that this assessment remains valid, and that the School's contribution to both the national and local economies will have increased as a result of the increase in student numbers, and other factors, such as the increased minimum wage and inflation.

3.2 Transformational Bursaries and Scholarships

The School has long focused on developing young people of character; individuals with the confidence, compassion, creativity, and humanity to make a real difference in our ever-changing world. Moreover, providing access to children, regardless of their means, has been a core tenet of the School since 1881, when the first governing document enshrined this principle.

While the School does not have the benefit of a strong financial endowment, the School continues to support a number of pupils through Bursaries and Scholarships. Parents are encouraged to apply for Bursaries, which are awarded based on a fair and rigorous means testing process; the means assessment is revisited each year. As a result, 33 pupils received means-tested assistance with fees this year (equivalent to 46 full places). Financial assistance and educational extension opportunities were also awarded to a number of pupils who successfully gained places on the Scholarship Programme (116 in the current year).

A fifth Ukrainian pupil was welcomed by the School at the start of the Academic Year. The School continues to support the Springboard Charity which aims to provide transformational bursaries to a number of looked after and vulnerable children by placing them in independent schools, with the second Springboarder starting in Year 7.

3.3 Support of the Local Community

A core principle of the School is the belief that it has a duty to support the local community wherever it is realistic to do so. The School has continued to provide facilities and support to a number of different organisations including:

Use of the School's sports facilities:

- Barnard Castle Football Club
- Raby Castle Cricket Club
- Barnard Castle Cricket Club
- Middleton Cricket Club
- Glaxo Squash Club
- Glaxo Football Club
- Durham Palatinates Netball Club
- Classic Car Show
- North-East Netball Club
- Teesdale Operatic Society
- Durham County School Cross Country
- Pony Club Triathlon
- Durham County Cricket (various ages)
- Girls U11 County Cricket

Professional development:

- Hosting professional development opportunities for teachers and support staff from other schools.
- Governors and staff serve on the Governing Bodies of various maintained schools.
- The School provides a large number of examiners to the main examination boards and one of its Heads of Department advises Durham University on PGCE applicants.

Hosting events:

- The Festival Weekend where the School hosted 32 rugby teams and 12 hockey teams from both the state and independent sector allowing over 400 children the opportunity to safely return to sport.
- The Cricket Festival saw over 200 pupils from 8 different primary schools experiencing coaching and game play.
- Summer Activity Weeks open to the whole community.

Use of the School's facilities:

- Duke of Edinburgh's Award local assessors use the School as a meeting place for coordination and planning.
- The Rotary Club use the auditorium for charity lectures.
- Barnard Castle School Choral Society use the Chapel.
- The Chapel is available for use by the community and visitors are encouraged on Heritage Open Days.
- The School makes additional parking available without charge to the Bowes Museum on busy occasions and for special exhibitions. Further, the School is a designated place of safety for the Bowes Museum's collection of art and artefacts.
- The School's playing fields are used as landing zones for helicopters carrying members of the Royal Family and other dignitaries to local engagements.

The School recognises and values the symbiotic relationship it has with the communities of Barnard Castle, Teesdale, County Durham and North Yorkshire. The School aims to make a positive and valued contribution to the wider community, advancing the cause of education and social welfare. To achieve this, the School strives to be recognised locally, nationally and internationally as an outstanding developer of young adults; a trusted partner for the provision of educational, sport and welfare support and resources; a great employer and a good neighbour.

The Activity programme provides an opportunity for all pupils and staff to provide a service to the wider community with activities such as planting hedgerows, litter picking, and organising fund-raising events. Pupils raised over £5,000 for the charity Storehouse through non-uniform days and collections.

4 Financial Review

4.1 Trading Performance

The Financial Statements show an operating surplus of £395,473 for the year before pension adjustments (2022: surplus of £224,978). Included within these figures was a loss on investments of £3,427 (2022: loss of £129,198).

Costs were significantly higher than the previous year due to the high rates of inflation but were mitigated to an extent by the strong pupil numbers.

The net assets of the School at the balance sheet date were £9,212,325 (2022: £8,816,852). Fixed asset additions amounted to £1,193,077 in the year, of which £545,437 was spent on major improvements to the boys' boarding bathrooms, the sixth form centre and the catering facilities.

4.2 Reserves and Investment Policy

The policy of the School is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in its infrastructure. As at 31 August 2023, the School held fund balances of £9,212,325 comprising £8,572,604 unrestricted funds, £593,846 restricted funds and £45,875 endowment funds.

After making appropriate enquiries the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

4.3 Investment Policy

The Governors' investment powers are derived from the powers vested in them under the School's Articles of Association and they have delegated the management of the investment portfolio to Brewin Dolphin and BlackRock. The Governors' policy is to adopt a low to medium risk investment strategy.

4.4 Risk Management

The Governors have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against the key risks faced by the School. The School maintains an up-to date register of the main areas of risk to the ongoing operations of the School. Risks are categorised as Governance and Strategic, Operational, Financial and External.

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to identify and minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects coupled with the judicious use of cash reserves to deal with monthly fluctuations in cash flow.

4.5 Future Plans

The School's Strategic Plan, supported by the Development Plan and Capital Plan, set out the plans of the Headmaster and his Senior Management Team for the School for the next 5 to 10 years. These documents are regularly reviewed and updated and have the full support of the Governing Body. The Plans have a level of flexibility incorporated within them to allow for such events as the recent Pandemic to ensure that the School operates within agreed, prudent financial parameters.

There are a number of well-publicised financial challenges facing the independent education sector over the next few years. The flexibility built into the Capital Plan is designed to ensure that there is a balance between continuing investment in the growth and development of the School and its long-term sustainability.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the Board of Governors on 15.12.23 and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

The Governors (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Governors' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

In so far as the Governors are aware:

- there is no relevant audit information of which the charity auditor are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the Board of Governors on 15.12.23 and signed on its behalf by:

Mrs C J Sunley
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL

Opinion

We have audited the financial statements of Barnard Castle School (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 Charity'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. 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 course of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Charity. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, charity law, company law, health and safety law, food and hygiene regulations, taxation law, Independent Schools Regulator and GDPR.
- Enquiry of Governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Use of our report

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Owen LLP

Antony Luckett BCom BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 15 December 2022

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	3	384,990	-	-	384,990	15,937
Charitable activities:	6					
School fees		12,412,904	-	-	12,412,904	11,619,316
Other income		43,629	-	-	43,629	41,325
Cost of providing school buses		(6,001)	-	-	(6,001)	(42,691)
Remissions		(1,226,652)	-	-	(1,226,652)	(1,269,480)
Other trading activities	4	189,533	-	-	189,533	192,234
Investments	5	38,666	16,133	-	54,799	16,317
Total		11,837,069	16,133	-	11,853,202	10,572,958
Expenditure on:						
Raising funds	7	52,447	3,231	-	55,678	72,332
Charitable activities:	8					
Teaching and governance		6,529,900	-	-	6,529,900	5,863,418
Premises		2,717,647	-	-	2,717,647	2,362,515
Welfare		1,206,327	-	-	1,206,327	1,031,168
Other charitable activities		939,403	5,347	-	944,750	889,349
Total		11,445,724	8,578	-	11,454,302	10,218,782
Net income before net losses on investments		391,345	7,555	-	398,900	354,176
Net (losses)/gains on investments		-	(3,427)	-	(3,427)	(129,198)
Net income/ (expenditure)		391,345	4,128	-	395,473	224,978
Transfers between funds	23	15,496	(15,496)	-	-	-

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Net movement in funds before other recognised gains/(losses) brought forward		406,841	(11,368)	-	395,473	224,978
Net movement in funds		406,841	(11,368)	-	395,473	224,978
Reconciliation of funds:						
Total funds brought forward		8,165,763	605,214	45,875	8,816,852	8,591,874
Net movement in funds		406,841	(11,368)	-	395,473	224,978
Total funds carried forward		8,572,604	593,846	45,875	9,212,325	8,816,852

The notes on pages 23 to 48 form part of these financial statements.

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)
REGISTERED NUMBER: 06596258

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	13		101,473		6,454
Tangible assets	14		10,380,529		10,053,478
Investments	15		511,996		510,953
			10,993,998		10,570,885
Current assets					
Stocks	16	56,371		55,045	
Debtors	17	789,056		819,364	
Cash at bank and in hand		2,479,629		2,612,676	
		3,325,056		3,487,085	
Creditors: amounts falling due within one year	18	(3,161,442)		(3,074,291)	
Net current assets			163,614		412,794
Total assets less current liabilities			11,157,612		10,983,679
Creditors: amounts falling due after more than one year	19		(1,945,287)		(2,166,827)
Net assets excluding pension asset			9,212,325		8,816,852
Total net assets			9,212,325		8,816,852

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Charity funds			
Endowment funds	23	45,875	45,875
Restricted funds	23	593,846	605,214
Unrestricted funds	23	8,572,604	8,165,763
Total funds		9,212,325	8,816,852

The financial statements were approved and authorised for issue by the Governors on 15.12.23 and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	25	1,290,894	1,497,102
Cash flows from investing activities			
Proceeds from the disposal of tangible fixed assets		900	2,750
Purchase of intangible assets		(99,038)	-
Purchase of tangible fixed assets		(1,094,039)	(513,068)
Proceeds from sale of investments		45,511	95,688
Purchase of investments		(49,981)	(97,346)
Dividend income		16,133	13,253
Interest received		38,666	3,064
Net cash used in investing activities		(1,141,848)	(495,659)
Cash flows from financing activities			
Loan repayments in year		(49,085)	(49,094)
Capital repayments in year		(97,369)	(64,911)
Repayments of finance leases		(135,639)	(94,674)
Net cash used in financing activities		(282,093)	(208,679)
Change in cash and cash equivalents in the year		(133,047)	792,764
Cash and cash equivalents at the beginning of the year		2,612,676	1,819,912
Cash and cash equivalents at the end of the year	26	2,479,629	2,612,676

The notes on pages 23 to 48 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006. The financial statements have been prepared under the historial cost convention with the exception of investments which are included at market value.

There were no material departures from the standard.

Barnard Castle School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements are reported in £ sterling.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred in directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

1. Accounting policies (continued)

1.3 Expenditure (continued)

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.4 Tangible fixed assets and depreciation

No depreciation is provided on freehold land.

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 5% straight line
Motor vehicles	- 10 - 25% straight line
Fixtures and fittings	- 5 - 33% straight line
Building alterations	- 2 - 20% straight line
Computer equipment	- 20 - 33% straight line

1.5 Intangible assets and amortisation

Intangible assets are initially recognised at cost and subsequently stated at cost net of amortisation and any provision for impairment. Intangible assets are being amortised over their expected useful lives on the following straight line basis:

Amortisation is provided on the following basis:

Computer Software	- 20 - 25% straight line

1.6 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

1.7 Taxation

The charity is exempt from corporation tax on its charitable activities.

1. Accounting policies (continued)

1.8 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent the permanent funds of the School. All income generated by these funds are unrestricted and used for the purpose of the School.

Investment income, gains and losses are allocated to the appropriate fund.

1.9 Pensions

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes. Non-teaching staff are offered retirement benefits by The Pension Trust, a defined contribution scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Charity in separate government administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The School exited from the Local Government Pension Scheme on 10 March 2023. In accordance with Section 28.22 of FRS 102, as there is no certainty the Charity will benefit, the asset is not recognised within these financial statements.

1.10 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1. **Accounting policies (continued)**

1.11 Provisions

Provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, for which it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.13 Financial instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.
Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19 . Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Balance Sheet over the relevant period. The capital element of the future payments is treated as a liability.

2. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

LGPS - The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. The School has since exited from the Local Government Pension Scheme (see note 1.9).

Bad debt provision - There are two provisions included within the financial statements; full provision and partial provision. The full provision provides for 100% of balances that are not considered to be recoverable. The partial provision provides for 25% of balances that are considered doubtful debts. The total bad debt provision within the financial statements is £123,487 (2022: £140,098).

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	68,145	68,145	8,064
Legacies	316,845	316,845	7,873
Total 2023	384,990	384,990	15,937
Total 2022	15,937	15,937	

4. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings and event income	189,533	189,533	192,234
Total 2023	189,533	189,533	192,234
Total 2022	192,234	192,234	

5. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income from listed investments	-	16,133	16,133	13,253
Deposit account interest	38,666	-	38,666	3,064
Total 2023	38,666	16,133	54,799	16,317
Total 2022	3,064	13,253	16,317	

6. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
School fees	12,412,904	12,412,904	11,619,316
Other income	43,629	43,629	41,325
Cost of providing school buses	(6,001)	(6,001)	(42,691)
Remissions	(1,226,652)	(1,226,652)	(1,269,480)
Total 2023	11,223,880	11,223,880	10,348,470
Total 2022	10,348,470	10,348,470	

7. Raising funds - expenditure

Other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings and event costs	52,447	-	52,447	68,508
Investment management fees	-	3,231	3,231	3,824
	52,447	3,231	55,678	72,332
Total 2022	68,508	3,824	72,332	

8. Analysis of charitable expenditure by activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Teaching and Governance	6,256,203	273,697	6,529,900	5,863,418
Premises	1,949,242	770,111	2,719,353	2,362,515
Welfare	1,206,327	-	1,206,327	1,031,168
Other	865,430	77,614	943,044	889,349
	10,277,202	1,121,422	11,398,624	10,146,450
Total 2022	9,266,922	879,528	10,146,450	

In 2023 of the total charitable expenditure of £11,396,918 (2022: £10,146,450), £11,391,571 (2022: £10,141,103) was to unrestricted funds, £5,347 (2022: £5,347) was to restricted funds and £Nil (2022: £Nil) was to endowment funds.

8. **Analysis of charitable expenditure by activities (continued)**

Analysis of direct costs

	Teaching and Governance 2023 £	Premises 2023 £	Welfare 2023 £	Other 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	5,605,160	901,654	672,722	550,966	7,730,502	7,114,435
Teaching resources	279,568	-	-	-	279,568	220,321
Premises and grounds	-	97,251	-	-	97,251	102,856
Rates	-	140,962	-	-	140,962	73,633
Insurance	18,644	91,456	-	-	110,100	99,168
Light, heat and water	-	301,292	-	-	301,292	273,841
Other teaching costs	232,726	-	-	-	232,726	155,488
Travel	120,105	-	(340)	-	119,765	88,722
Catering	-	-	514,814	-	514,814	495,353
Laundry	-	-	3,762	-	3,762	7,224
Nursing	-	-	15,369	-	15,369	12,853
Cleaning	-	82,350	-	-	82,350	79,577
Maintenance	-	334,277	-	-	334,277	247,218
Marketing and development	-	-	-	114,079	114,079	80,850
IT costs	-	-	-	106,648	106,648	108,476
Administration	-	-	-	94,907	94,907	88,861
Recruitment	-	-	-	23,884	23,884	22,408
Bad debts	-	-	-	(25,054)	(25,054)	(4,362)
	6,256,203	1,949,242	1,206,327	865,430	10,277,202	9,266,922
Total 2022	5,776,201	1,641,647	1,031,168	817,906	9,266,922	

8. Analysis of charitable expenditure by activities (continued)

Analysis of support costs

	Governance 2023 £	Premises 2023 £	Other 2023 £	Total funds 2023 £	Total funds 2022 £
Depreciation and amortisation	-	770,617	-	770,617	723,414
Surplus on disposal of assets	-	(506)	-	(506)	(2,546)
Bank charges	-	-	14,210	14,210	14,680
Bank interest	-	-	52,444	52,444	39,486
Leasing interest	-	-	10,271	10,271	17,277
Interest paid to HMRC	-	-	689	689	-
Governance costs	273,697	-	-	273,697	87,217
	273,697	770,111	77,614	1,121,422	879,528
Total 2022	87,217	720,868	71,443	879,528	

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	16,200	11,000
Depreciation - owned assets	712,930	671,245
Depreciation - assets on finance lease	53,668	50,666
(Surplus) on disposal of fixed assets	(506)	(2,546)
Computer software amortisation	4,019	1,503
Operating lease payments	75,806	119,233

10. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	16,200	11,000
Fees payable to the Charity's auditor in respect of:		
All taxation advisory services not included above	475	430
All non-audit services not included above	6,019	6,474

11. Governors' remuneration and benefits

During the year, no Governor received any remuneration or other benefits (2022: £Nil).

During the year ended 31 August 2023, travel expenses, being the only expenses reimbursed to Governors, totalled £2,348. These were reimbursed or paid directly to 4 Governors (2022 - £2,176 to 5 Governors).

12. Staff costs

	2023 £	2022 £
Wages and salaries	6,072,294	5,514,233
Social security costs	600,322	550,889
Other pension costs	1,057,886	1,049,313
	7,730,502	7,114,435

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

	2023 No.	2022 No.
Teaching	111	108
Support	22	19
Welfare	32	26
Premises	39	38
	204	191

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	1	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-

Pension contributions of £100,326 (2022: £68,193) were made to defined benefit and contribution schemes on behalf of these employees.

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the School was £731,430 (2022: £698,237).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

13. Intangible assets

	Computer software £
Cost	
At 1 September 2022	44,134
Additions	99,038
At 31 August 2023	143,172
Amortisation	
At 1 September 2022	37,680
Charge for the year	4,019
At 31 August 2023	41,699
Net book value	
At 31 August 2023	101,473
At 31 August 2022	6,454

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2022	14,368,803	1,015,714	2,135,347	58,641	842,355	18,420,860
Additions	943,362	-	125,387	8,000	17,290	1,094,039
Disposals	-	-	-	(2,100)	-	(2,100)
At 31 August 2023	15,312,165	1,015,714	2,260,734	64,541	859,645	19,512,799
Depreciation						
At 1 September 2022	6,059,374	285,230	1,484,097	16,519	522,162	8,367,382
Charge for the year	456,930	50,785	118,994	8,499	131,386	766,594
On disposals	-	-	-	(1,706)	-	(1,706)
At 31 August 2023	6,516,304	336,015	1,603,091	23,312	653,548	9,132,270
Net book value						
At 31 August 2023	8,795,861	679,699	657,643	41,229	206,097	10,380,529
At 31 August 2022	8,309,429	730,484	651,250	42,122	320,193	10,053,478

Included in cost of freehold property is freehold land of £55,240 (2022: £55,240) which is not depreciated.

Fixed assets, included in the above, which are held under finance leases are as follows:

	2023 £	2022 £
Cost		
At 1 September	1,033,341	993,321
Additions	-	40,020
	1,033,341	1,033,341
Depreciation		
At 1 September	282,292	231,626
Charge for year	53,668	50,666
	335,960	282,292
Net book value		
At 31 August	697,381	712,029

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2022	510,953
Additions	49,981
Disposals	(45,511)
Revaluations	(3,427)
At 31 August 2023	511,996
Net book value	
At 31 August 2023	511,996
At 31 August 2022	510,953

16. Stocks

	2023 £	2022 £
Stocks	56,371	55,045

17. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	265,292	242,795
Other debtors	6,153	26,800
Prepayments and accrued income	517,611	549,769
	789,056	819,364

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans (see note 20)	146,085	146,492
Trade creditors	546,402	662,088
Other taxation and social security	286,386	271,211
Finance leases (see note 21)	119,796	135,639
Other creditors	244,703	146,642
Accruals and deferred income	1,818,070	1,712,219
	3,161,442	3,074,291

	2023 £	2022 £
Deferred income		
Deferred income at 1 September 2022	1,623,327	1,282,439
Resources deferred during the year	1,687,355	1,623,327
Amounts released from previous periods	(1,623,327)	(1,282,439)
	1,687,355	1,623,327

Deferred income at the balance sheet date is in relation to monies received for school fees and courses for periods from 1st September 2023.

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans (see note 20)	1,603,423	1,749,470
Finance leases (see note 21)	16,383	136,179
Other creditors	325,481	281,178
	1,945,287	2,166,827

20. Loans

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Loans	146,085	146,492
Amounts falling between one and two years:		
Loans - 1-2 years	110,440	146,492
Amounts falling due between two and five years:		
Loans - 2-5 years	1,492,983	1,602,978
Amounts falling due in more than five years:		
Repayable by instalments:		
Loans more 5 years	-	-

The SONIA (previously LIBOR) bank loan is repayable over a period of 14 years on a quarterly basis with interest charged at 2.4% above SONIA. The remaining term of this loan is 1 year and 3 months. In December 2021 on the cessation of LIBOR, the loan transitioned to SONIA interest rates.

The two Coronavirus Business Interruption Loans received in November 2020 are repayable over a period of 6 years. The first loan is repayable on a monthly basis which started 13 months after drawdown with fixed interest charged at 2.59% for 5 years with the 6th year at 2.34% above the Bank base rate. The second loan can be repaid without penalty at any time within the 6 year period with fixed interest charged at 2.66% for 5 years with the 6th year at 2.34% above the Bank base rate. The remaining term on these loans is 3 years and 3 months.

21. Leasing agreements

	Finance Leases 2023 £	Finance Leases 2022 £
Net obligations repayable:		
Within one year	119,796	135,639
Between one and five years	16,383	136,179
In more than five years	-	-
	136,179	271,818

The finance lease relates to a tractor and to the installation and purchase of a Biomass Boiler System. The term of the tractor lease is 5 years ending in April 2027. The term of the Biomass lease is 7 years ending in July 2024. The Biomass Boiler System is accredited by the OFGEM Non Domestic Renewable Heat Incentive Scheme.

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	74,018	75,806
Between one and five years	114,124	64,414
	188,142	140,220

22. Secured debts

The following secured debts are included within creditors:

	2023 £	2022 £
Coronavirus Business Interruption Loans	1,687,719	1,785,088
SONIA Loan	61,789	110,874
Finance leases	136,179	271,818
	1,885,687	2,167,780

The SONIA loan is secured by way of a legal mortgage and fixed charge over the School's land.

The Coronavirus Business Interruption Loans are secured by way of a legal charge and debenture over the School land and buildings excluding the 'third' field.

The finance lease contract is secured over the tractor to which it relates.

The finance lease contract is secured over the Biomass Boiler System to which it relates.

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Revenue reserve	7,565,763	11,837,069	(11,445,724)	15,496	-	7,972,604
Designated Funds	600,000	-	-	-	-	600,000
	8,165,763	11,837,069	(11,445,724)	15,496	-	8,572,604
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	455,446	16,133	(3,231)	-	(3,427)	464,921
Hearnshaw Legacy	71,156	-	-	(15,496)	-	55,660
Science Centre Donation	78,612	-	(5,347)	-	-	73,265
	605,214	16,133	(8,578)	(15,496)	(3,427)	593,846
Total of funds	8,816,852	11,853,202	(11,454,302)	-	(3,427)	9,212,325

23. Statement of funds (continued)

Designated Funds contain legacies received by the School which will be used to invest in capital projects.

The Foundation Endowment was formed when the School was established. This is considered to be an endowed fund which is held in the form of land.

The Barnard Castle School Prize & Scholarship Fund is used for funding scholarships and the purchase of prizes.

The Hearnshaw Legacy was a legacy received for the payment of a scholarship for an A Level science place.

The Science Centre fund was initially given to invest in science capital projects. However an opportunity arose in a prior year for two projects, the sports hall refurbishment and creation of the music performance space. The donor was approached and gave his permission for the money to be used in this manner. Depreciation relating to these assets is allocated to the fund annually.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

23. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Revenue reserve	7,201,041	10,559,705	(10,209,611)	14,628	-	7,565,763
Designated Funds	600,000	-	-	-	-	600,000
	7,801,041	10,559,705	(10,209,611)	14,628	-	8,165,763
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	575,215	13,253	(3,824)	-	(129,198)	455,446
Hearnshaw Legacy	85,784	-	-	(14,628)	-	71,156
Science Centre Donation	83,959	-	(5,347)	-	-	78,612
	744,958	13,253	(9,171)	(14,628)	(129,198)	605,214
Total of funds	8,591,874	10,572,958	(10,218,782)	-	(129,198)	8,816,852

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	10,266,301	68,353	45,875	10,380,529
Intangible fixed assets	101,473	-	-	101,473
Fixed asset investments	-	511,996	-	511,996
Current assets	3,311,559	13,497	-	3,325,056
Creditors due within one year	(3,161,442)	-	-	(3,161,442)
Creditors due in more than one year	(1,945,287)	-	-	(1,945,287)
Total	8,572,604	593,846	45,875	9,212,325

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,933,902	73,701	45,875	10,053,478
Intangible fixed assets	6,454	-	-	6,454
Fixed asset investments	-	510,953	-	510,953
Current assets	3,466,525	20,560	-	3,487,085
Creditors due within one year	(3,074,291)	-	-	(3,074,291)
Creditors due in more than one year	(2,166,827)	-	-	(2,166,827)
Total	8,165,763	605,214	45,875	8,816,852

25. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	395,473	224,978
Adjustments for:		
Depreciation charges	766,594	721,911
Amortisation charges	4,019	1,503
Losses on investments	3,427	129,198
Bank interest received	(38,666)	(3,064)
Profit on the sale of fixed assets	(506)	(2,546)
(Increase)/decrease in stocks	(1,326)	15,223
Decrease/(increase) in debtors	30,308	(233,007)
Increase in creditors	147,704	656,159
Dividend income	(16,133)	(13,253)
Net cash provided by operating activities	1,290,894	1,497,102

26. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	2,479,629	2,612,676
Total cash and cash equivalents	2,479,629	2,612,676

27. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,612,676	(133,047)	2,479,629
Debt due within 1 year	(146,492)	407	(146,085)
Debt due after 1 year	(1,749,470)	146,047	(1,603,423)
Finance leases	(271,818)	135,639	(136,179)
	444,896	149,046	593,942

28. Pension commitments

The Charity's employees belong to two principal pension schemes:

The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are multi-employer defined benefit schemes. The Charity exited the LGPS scheme on 10 March 2023. Subsequent contributions are made to a defined contribution scheme on behalf of its employees, the cost of these contributions being charged to the Charity's Statement of Financial Activities.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in schools. All teachers have the option to optout of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy), to be effective from 1 April 2024, an increase of 5% on the rate previously applied.
- There are 2.105m scheme members, 31% of which are male and 69% female.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262m and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2m, giving a notional past service deficit of £39.8m.

The employer's pension costs paid to the TPS in the year amounted to £863,526 (2022: £854,263).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website (https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with assets held in separate government-administered funds. The total employer's contributions for the year ended 31 August 2023 totalled £89,357 (2022: £195,052), these being up to the point the Charity exited the scheme on 10 March 2023.

28. Pension commitments (continued)

At the time of exit on 10 March 2023 and in relation to previous years, the Governors are of the view that the Charity should not recognise a pension scheme asset as it predetermines the reduction in future pension contributions and commitments. The notes included in these accounts show the defined benefit obligation together with the fair value of the scheme assets which shows there are excess assets over obligations.

At the date of the exit from the scheme on 10 March 2023 the company acting for the Administering Authority for the LGPS has confirmed that the fair value of the scheme liabilities amounted to £7.15m, against the fair value of the scheme assets of £8.83m. Whilst it has been confirmed that there is not a deficit on the scheme it is not possible to establish whether (at the date of the approval of the financial statements) any credit will be given to the Charity in due course.

Principal actuarial assumptions at the previous Balance Sheet date (expressed as weighted averages):

	At 31 August 2022 %
Discount rate	4.2
Future salary increases	3.9
Future pension increases	2.9
CPI inflation	2.9
Pension accounts revaluation rate	2.9

	At 31 August 2022 Years
Mortality rates (in years)	
- for a male aged 65 now	22.1
- at 65 for a male aged 45 now	23.2
- for a female aged 65 now	24.2
- at 65 for a female aged 45 now	25.7

28. Pension commitments (continued)

The Charity's share of the assets in the scheme was:

	At 31 August 2022 £
Equities	5,020,000
Property	770,000
Government bonds	1,040,000
Corporate bonds	400,000
Cash	130,000
Other	490,000
Multi Asset Credit	1,330,000
Total fair value of assets	9,180,000

The actual return on scheme assets was £N/A (2022 - £1,000,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	89,357	160,000
Interest income	(132,000)	(170,000)
Interest cost	132,000	170,000
Total amount recognised in the Statement of Financial Activities	89,357	160,000

Movements in the present value of the defined benefit obligation in the previous period when the Charity was within the LGPS were as follows:

	2022 £
Opening defined benefit obligation	9,920,000
Interest cost	170,000
Contributions by scheme participants	20,000
Actuarial gains	(3,510,000)
Benefits paid	(270,000)
Current service cost	140,000
Closing defined benefit obligation	6,470,000

28. Pension commitments (continued)

Movements in the fair value of the Charity's share of scheme assets obligation in the previous period when the Charity was within the LGPS were as follows:

	2022 £
Opening fair value of scheme assets	9,920,000
Expected return on assets	170,000
Actuarial gains/(losses)	(3,510,000)
Contributions by employer	140,000
Contributions by scheme participants	20,000
Benefits paid	(270,000)
Closing fair value of scheme assets	6,470,000

29. Related party transactions

During the year Governors made donations of £1,840 towards school activities, and £100 was paid to Governors as well wishes gifts.

P D A Mothersill is a Trustee of The Bowes Museum. During the year purchases of £742 (2022: £85) were made for Museum visits and room hire. Balance outstanding in trade creditors at year end was £Nil (2022: £Nil).

N P Hodges is a Director of The Witham Hall Ltd. During the year purchases of £884 (2022: £422) were made for workshops. Balance outstanding in trade creditors at year end was £Nil (2022: £Nil).

30. Company limited by guarantee

The School is a company limited by guarantee. The members of the School are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

BARNARD CASTLE SCHOOL

England & Wales - Charity number 1125375

Accounts

Registered company number: 06596258
Registered Charity number: 1125375

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2022

Governors

Mr P D A Mothersill, (resigned as Chair on 1 September 2021)
Mrs C J Sunley, Chair (appointed as Chair on 1 September 2021)
Mr N J Bliss, Vice Chair
Ms S A A Ali
Mr I M Allison
Dr J R Elphick
Mr N P Hodges, Old Barnardians Club[1]
Mr J H Hunter (resigned 29 March 2022)
Mr P A Kelsall
Ms K J Marshall (appointed 18 October 2021)
Mr R I Moffatt
Ms C M Newnam (resigned 30 April 2023)
Mr D C Osborne
Mr D S Penny (resigned 16 September 2021)
Dr J K Ramsingh (appointed 1 November 2022)
Mr E R Rendall
Ms A E Rhodes (appointed 1 November 2022)
Mr G M Richardson, Durham County Council[1]
Mr D F Starr, Durham University[1]
Dr N Thorpe, Newcastle University (resigned 31 August 2022)[1]
Ms D Vinsome

[1] Nominated Governors

Company registered number

06596258

Charity registered number

1125375

Registered office

Newgate
Barnard Castle
County Durham
DL12 8UN

Company secretary

Mrs S M Metcalf

The Headmaster

Mr A C Jackson

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

NatWest Bank Plc
29 Newgate Street
Bishop Auckland
County Durham
DL14 7ET

Investment Advisers

BlackRock Fund Managers Limited
12 Throgmorton Avenue
London
EC2N 2DL

Brewin Dolphin
10 Wellington Place
Leeds
LS1 4AN

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

CHAIR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The chair presents her statement for the year.

September 2021 heralded the start of a new term and the return to "normality" for pupils and staff, although, each was a little wiser and more appreciative of the freedoms which were previously taken for granted. Pupils embraced the increasing number of sporting and extra-curricular activities and it was uplifting to see a Prep School coach leave for the first residential trip in over 2 years. Music and Drama were more popular than ever and delivered a number of excellent performances over the year, supported by a School choir of over 90 pupils. Trinity Term saw the return of external examinations for GCSE's and A-Levels, and the pupils, once again, took this in their stride producing an excellent set of results which allowed them all to continue on their chosen paths.

Charity and contribution to the wider community were themes that dominated the year. The parent body was phenomenal in their response to the Ukraine crisis providing both financial support as well as much needed supplies and their onward transportation to Ukraine. In turn, the pupils played their part with a number of charitable events including a sponsored swim by two Prep pupils.

Michaelmas saw the formation of a community theatre company called TOYS (Teesdale Operatic Youth Society), a partnership between the School and Teesdale Operatic Society which is open to any child and young person aged 8 – 18 from the local area. This new collaboration delivered 4 sell-out performances of Matilda involving 18 pupils from the School and 19 external students from state schools throughout the region.

There were many highlights in the year, however, one stands out for not only the sheer scale of the event but also because it encompassed all that has been missed over the last few years. The entire School, from Prep to Sixth Form, performed at the Sage in Gateshead in a Gala Concert; an event which had been deferred but finally got the go ahead on March 16th, in front of a packed audience of parents and staff. The concert featured performances from the Joint Schools' Orchestra, the Prep School Chamber Choir, the Senior School Chamber Choir, the Chapel Choir, the Jazz Band, the Wind Band, a Saxophone Ensemble, the cast of Oliver and large-scale performances from every pupil in the School. The concert ended with the whole School singing "Happy" in the largest group performance the Sage had ever seen.

School numbers increased once more to their highest in 11 years in both totality and in boarding numbers. The overseas market continues to thrive whilst the Sixth Form numbers are the strongest that they have ever been, which is testament to the breadth and depth of education as the pupils are prepared for the next phase of their lives.

Investment in the fabric of the School continued with the creation of a new Design & Technology workshop space, total refurbishment of the boys boarding bathroom facilities, new windows and doors for the teaching buildings, new visitor room and staff room for the Prep School, a new grounds tractor and the commencement of a phased refurbishment of the kitchen beginning with major electrical upgrades and the installation of new catering equipment. The School is committed to sustainable energy and is very proud that its investment in LED lighting infrastructure is now 70% LED fittings. The Prep School was very grateful for a generous donation which subsidised the purchase of a significant number of classroom devices allowing the younger years to develop their IT skills.

Finally, and with great sadness, within 15 hours of the announcement of the passing of HM Queen Elizabeth II, the School paid its respects with a poignant and fitting service in which all pupils played their part.

Mrs C J Sunley, Chair
Date: 18 May 2023

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Barnard Castle School is a charitable company limited by guarantee, which owns all of the land, buildings and other assets of the School. It is registered with Companies House (Company Number 6596258) and with the Charity Commission (Charity Number 1125375).

The Governors, who are also directors and trustees of the Charity, present their Annual Report and audited Financial Statements for the year ended 31 August 2022. The Governors confirm that the Annual Report and Financial Statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities, preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The Governors confirm that they have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. Evidence of our public benefit is detailed throughout section of this Report entitled "Review of the Year".

Barnard Castle School is an independent day and boarding school in the North East of England for boys and girls from the age of 4 to 18. The Governors and the School are always guided by the charitable objectives:

- to inspire pupils in a safe, happy and supportive environment; and
- to provide an educational experience which combines academic rigour with a breadth of extra-curricular opportunities designed to help each child to find their own individual focus and to develop to their fullest potential.

The School opened in September 1883 under the leadership of Headmaster Reverend F.L. Brereton, moving to its present location in 1886. Initially, funding came from three sources: the estate of Benjamin Flounders; funds from St John's Hospital, which was founded in 1229 by John Balliol, Lord of Barnard Castle; and voluntary subscriptions collected from Northumberland, Durham and the North Riding of Yorkshire. In September 1914 Barnard Castle Preparatory School opened with ten boys in Westwick Lodge. In 1924 the School changed its name to Barnard Castle School, and in 1982 the School became co-educational. Barnard Castle School was incorporated in 2008.

School life continues to be characterised by the following values which were laid down at the School's inception in 1883:

- ***Community***
  Our staff and pupils feel part of something bigger than themselves, not just during their time at School, but for the rest of their lives;
- ***Endeavour***
  The School encourages its pupils to be intellectually curious, to be multi-dimensional and to embrace new challenges as they arise;
- ***Integrity***
  Pupils are helped to develop a robust work ethic, to have consistency and humility in their actions towards other people and to apply a strong moral compass in all that they do;
- ***Compassion***
  Being part of the community requires each individual to care about other people's happiness. By developing high level emotional intelligence, each child is expected to treat others with kindness and understanding;
- ***Duty***
  The School is committed to imbue its pupils with an understanding that they have a moral obligation to serve others and to seek out opportunities to enrich the wider community with an altruistic and selfless outlook; and
- ***Enjoyment***
  The community aspires to bring a sense of fun and enjoyment in all that it does for and with others. By striving to be the best version of ourselves and by adopting the values set out above, we aim to enjoy our lives and make ourselves and those around us happy and proud.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Purpose and Aims

The purpose of the School is:

"through creating an inspirational, compassionate and unpretentious environment, we aim to develop young adults with character. They are happy, confident, resilient, intellectually curious, tolerant, driven, and with a foundation of humanity, who are ready and prepared to face, embrace and lead in an ever-changing world."

This Purpose forms the basis of the Strategic Plan which highlights a set of Key Features that link to a concise set of School and Operational Strategic Aims. These Aims are aligned to the Governance Structure set out below, which makes the responsibility and accountability for the attainment of our Strategic Aims clear and transparent.

The Senior Management Team (SMT) own the School Development Plan, which defines the specific and time-bound objectives and actions required to achieve the Strategic Aims and the SMT makes regular progress reports to the Board of Governors.

When considering the Purpose, the SMT have identified the following Key Features:

- A Community
- Character Developers
- Fully co-educational Boarding and Day School
- A Broad Entry
- Traditional values in a Contemporary setting

With these Key Features in mind, the following Strategic Aims have been set:

- Wellbeing - *We aim to be recognised as the leading school for outstanding pastoral care in the North of England, ensuring the safeguarding and protection of each individual associated with the School, from pupils to employees and educating everyone in understanding positive mental health.*

- Character - *We aim to develop confidence, humility, resilience, tolerance, determination, a strong spiritual and moral compass, altruism and soft/life skills in each of our pupils.*

- Curiosity - *We aim to develop young adults who are intellectually curious, possess an appetite for learning, have an independent attitude towards their intellectual development, a thirst for knowledge and are culturally literate; culminating in academic results which maximise potential.*

- Journey - *We aim to use our 'whole School' to see genuine development from the age of entry until departure and beyond, in all aspects of life.*

- Interaction - *We aim to promote the School in the wider community, raising awareness regionally, nationally and internationally and be the 'school of choice' in the area; for pupil, parent and teacher.*

Underpinning these are the Operational Aims which are devised to ensure the effective running of the School:

- Efficiency - *We aim to ensure the smooth day to day financing and running of the School, with the overall objective of ensuring the School operates within prudent financial parameters.*

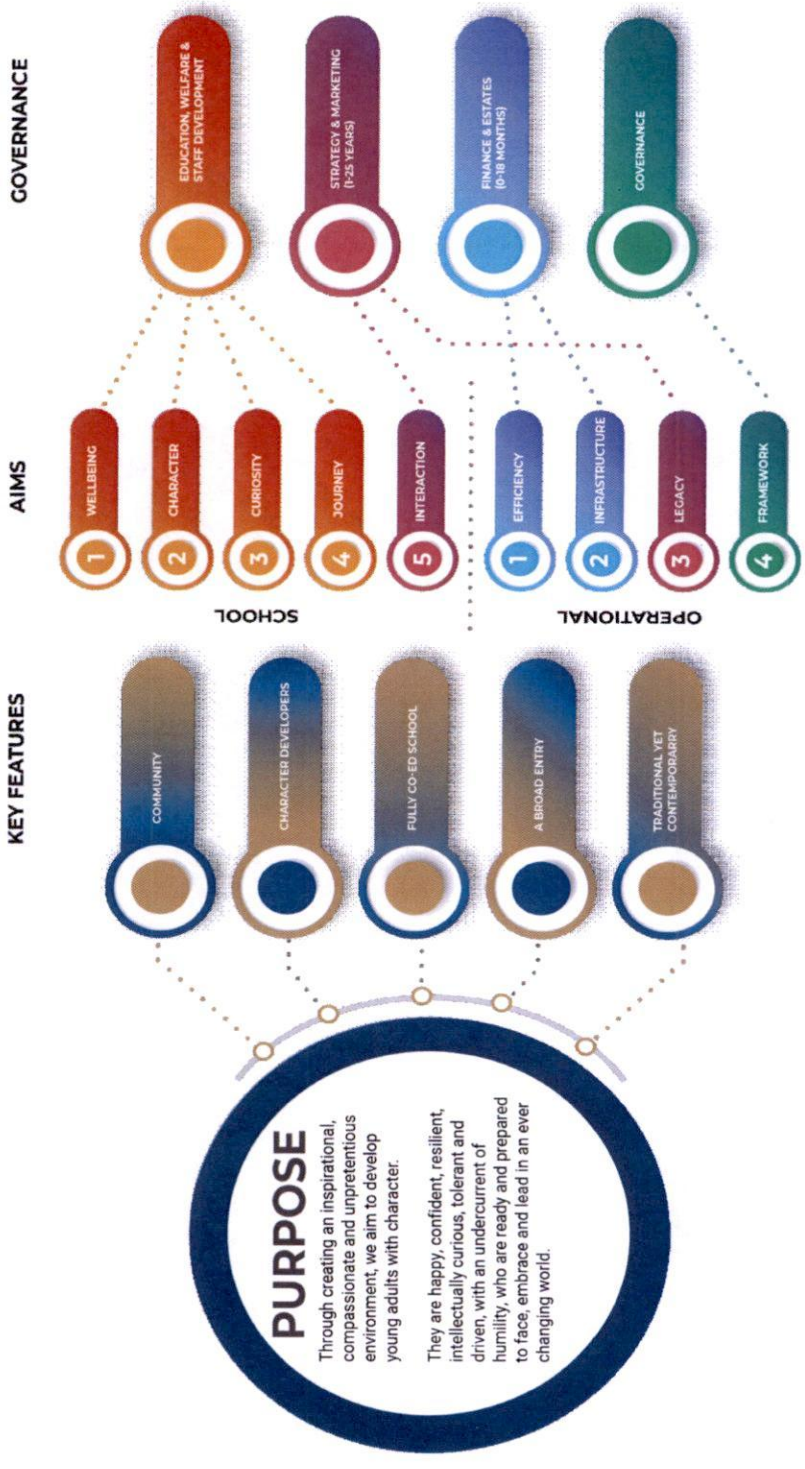
- Infrastructure - *We aim to ensure the upkeep, safety and appropriateness of the facilities and to ensure that those individuals working at the School are high quality, strongly performing individuals.*

- Legacy - *We aim to establish and maintain a strong alumni network; to plan and prepare for the next generations of Barnardians, looking at future capital projects as well as scholarship and bursary funding which will see the School go from strength to strength.*

- Framework - *We aim to ensure that the School is compliant with all relevant laws and regulations, and to mitigate risk.*

Purpose and Aims (continued)

Governance responsibilities for delivering the School's Strategic Plan



Strategic report

Review of the Year

The School is committed to safeguarding and promoting the welfare of its pupils and staff and expects all those involved with the School to share this commitment. The objective is to create a culture and community where all pupils, staff and parents can confidently speak openly and feel that they are being listened to, by each other as well as by the School. The aim is to develop self-aware pupils who are empathetic, are armed with a sense of perspective and gratitude and have an understanding of the importance of a robust mental health.

Wellbeing is embedded into the curriculum with themed lessons and programmes such as "Headspace", which provides a weekly timeslot in which topics such as Mental Health, Equality and Diversity, can be explored in either a group setting or staff led. The curriculum is supported by a number of external speakers and a variety of initiatives, some staff led and some initiated by the pupils themselves. Examples of these during the course were:

- Themed weeks included Anti-Bullying Week, Black History Month and Mental Health Week.
- Representatives from the Diversity Trust and Autism North East delivered passionate and informative lectures to the teaching staff.
- Assemblies continued to provide a platform for reinforcing pastoral messages and the Barney ethos and culture. Topics have included Online Safety, Peer Support, Sexual Harassment, diversity issues as well as gratitude, integrity, courage, humour and compassion.
- The Sixth Form Diversity Focus Group met regularly delivering talks to their fellow pupils and ensuring that student voices were heard.
- Parents continue to access Parents' Pastoral Forums, either virtually or at School, dealing with relevant issues such as Support Networks, Diversity and Inclusion and Everyone's Invited.
- The Barney Burrow is a listening hub for Prep School children to speak to U6th students regarding any worries or concerns that they may have.

Investment in the Boarding Houses continued with the commencement of a phased programme for the boys boarding rooms beginning with a major mechanical, electrical and fittings refurbishment of all of the boarding bathroom facilities.

At the heart of every education is a healthy staff body who strive to achieve the best for their pupils as a result of an appropriate work/life balance. The Designated Staff Liaison Governor meets each term with the staff and is responsible for understanding and representing the views of the Common Room and non-teaching staff on the issues being discussed by the Governing Body and ensuring that staff welfare and development needs are being met.

Strategic report (continued)

Review of the Year (continued)

The School is renowned for the focus it places on character development and this is a significant strength of the School. Whilst academic success is essential, the development of character and life skills, especially in a world which is being increasingly dominated by Artificial Intelligence, is of vital importance. The objective is to ensure all pupils are aware of this, and to formulate a structure in which every pupil understands and gains access to a programme which focuses on character development.

Activity Programme and House Activities

The Activity Programme and House Activities are an important part of a Barney education and all pupils throughout the School are encouraged to take part in the excellent array of activities on offer which range from CCF and sport to chess and debating. Participation in these activities is seen to be a core requirement for all pupils allowing them to develop their character and learn new skills.

House activities continued throughout the year with house points available for every single competition, contributing towards an overall end of term victor for each of the School Houses.

The Co-Curricular Programme in Prep School offers a huge number of activities, alongside supervised homework sessions. Pupils are encouraged to participate in activities which include hockey, netball, Lego, Junior Duke, Rock and Pop band and Eco-Warriors, to name a few. This year, an early morning swim session at 7:45am was introduced for years 3-6.

Charity

The School continues to promote and support a number of charitable organisations with the pupils undertaking a variety of fundraising activities.

The Ukraine Crisis called for immediate action and the parent body was phenomenal in its response providing both financial support as well as medical supplies, outdoor items, hygiene products, food and winter clothing, and the transportation of this support to Ukraine. Pupils also played their part including a sponsored swim by two Prep pupils which raised over £1,000.

In addition, a total of £10,952 was raised during the year for the following charities:

- Brain Tumour Research
- The Woodland Trust
- Veterans Wood Craft
- Macmillan Cancer
- Mary's Meals
- MIND
- Save the Children
- Toilet Twinning – 4 latrines in Africa and the Sudan
- A number of CCF cadets took part in the Walking Home for Christmas Campaign

Strategic report (continued)

Review of the Year (continued)

Combined Cadet Force (CCF)

The CCF programme continues to flourish with a cadet strength of 171 Army and 26 RAF cadets. CCF offers pupils a broad range of challenging, exciting, adventurous and educational activities aimed at developing personal responsibility, leadership and self-discipline.

The cadets have embraced the return to "normal" schooling:

- 43 Year 9 cadets were awarded their half stars for successfully completing two components of the basic cadet syllabus.
- 43 Year 9 and 48 Year 10 cadets were awarded their cadet GP rifle badge for completing the skills at arms cadre.
- 45 Year 11 cadets were awarded their first star badge for completing their basic cadet syllabus.
- 50 Year 10 cadets completed their Bronze NNAS (National Navigational Award Scheme).
- 43 Year 9 and 50 Year 10 cadets completed their basic first aid cadre.
- 47 Year 11 and 3 Year 12 cadets completed their Cadet Force Instructional Techniques cadre.
- 9 Year 13 cadets completed their advanced leadership cadre.
- 50 Year 10 cadets completed their leadership and development cadre.
- All Year 11, 12 and 13 cadets completed their advanced tactics cadre and 9 Year 13 completed their advanced leadership cadre.
- 38 cadets enjoyed a day on the ranges at Catterick.
- 14 RAF cadets were awarded their Part 1 Proficiency Certificates and have been promoted to lance corporal.
- 9 RAF cadets gained their First-Class Cadet certificates.
- 5 cadets completed a Level 2 BTEC Qualification in Teamwork and Personal Development in the Community.
- 20 cadets went on an air flying experience day at RAF Leeming.
- 35 cadets enjoyed a 5-day summer camp at Barry Budden Training Camp in Scotland.

In addition:

- One cadet has been appointed as a Lord-Lieutenant Cadet for County Durham and Teesside.
- 5 cadets received gold medals for walking a total of 120 km over a 4-day period.
- Over 100 cadets competed in the annual RFCA Tri-Climb Competition and the School were overall winners with a number of individuals successes.
- 4 cadets were awarded the Combined Cadet Force Association National Praiseworthy Action Certificates for assisting an elderly gentleman who had fallen.
- 2 cadets received the highest award with the CCF – that of The Master Cadet.

Duke of Edinburgh Award

Participation in the Duke of Edinburgh programme continues to be very popular with 55 pupils camping on a 2-day 1-night training expedition in Teesdale and 17 pupils completing a 3-day 2-night wild camping expedition to the High Pennines.

During the year 37 Year 11 pupils completed their Silver assessed expedition, 15 Year 11 pupils completed all sections, and 20 Year 12 and 13 pupils completed their Gold assessed expedition.

This year has also seen the introduction of Junior Duke in Prep School, a junior version of the Duke of Edinburgh Award, which encourages children to learn life skills to increase their independence and resilience. It has proved to be very popular and is enjoyed by the pupils as they work through their activities such as cooking a meal with a budget and packing a hiking bag for a trip.

Strategic report (continued)

Review of the Year (continued)

Sport

The return to post Pandemic "normal" schooling allowed pupils to engage in the huge range of different sporting activities available to them. It is gratifying to see this interest continuing outside the School with a large number of students representing the County in a range of sporting disciplines. Opportunities to compete are provided through House competitions, inter school fixtures and County and National competitions.

2021/22 provided the following highlights:

- Cricket
  - 4 Prep pupils were selected to take part in the Durham County Pathway Cricket training programme.
  - Girl's cricket continues to flourish and the U13 and U15 teams qualified for the regional finals of the Lady Taverners Cup.
- Rugby
  - The 1st XV reached the semi-final of the National Competition whilst the 2nd XV enjoyed a second consecutive unbeaten season.
  - U12's finished 2nd in the County 7's tournament and the U13's won the County 7's.
  - Two pupils have been involved in U18 England Development camps.
  - 14 pupils are involved in the U17/18 Newcastle Falcons Academy and 4 pupils at U16 level.
  - 6 pupils were selected for the U18 Durham County Squad and 8 pupils for the U15 Durham Performance Pathway and 2 pupils were selected for U14 DPP.
- Hockey
  - In the Senior School 31 girls and 15 boys were selected to play for Durham County and 1 girl was selected to play for North Yorkshire Hockey.
  - In the Prep School 2 pupils have been selected to play for Durham County U12 Hockey.
  - Years 5 and 6 were County Champions.
  - An U17 player continues to be involved in the England Hockey Performance Pathway.
  - 2 pupils have been invited to train with Durham University's National League team.
- Netball
  - The continued partnership with Leeds Rhinos Netball has enabled pupils to access extra coaching.
  - An U6th girl was selected for U19 England Roses Academy Positional training.
  - 3 pupils were selected for U15 County and 2 for U13 County teams.
- Equestrian
  - The Equestrian team has almost doubled in size over the past year and has competed in a record number of competitions in Show Jumping, Dressage and Eventing.
  - 4 Prep pupils represented the School in National Schools Equestrian Association (NSEA) events.
  - A Year 12 pupil competed in two FEI International competitions, winning the 110cm in Wales.
- Swimming
  - A Year 11 pupil gained 1st ranking in the Region.
- Squash
  - The 1st team came 3rd in the National Schools Squash Championship.
- Cross Country
  - 37 pupils qualified for County Cross Country Championships.
- Football
  - A Year 12 pupil made her debut for Middlesbrough FC's ladies Football Team.
- Golf
  - A Year 4 pupil has been selected as the Girl's Captain for Blackwell Golf Club.

In September, over the first exeat weekend in the year, the School hosted 36 rugby and hockey teams from both the state and independent sectors in a Festival Weekend allowing over 400 children the opportunity to safely return to these sports. It also provided the opportunity for 12 Sixth Form pupils to utilise their new qualifications by refereeing all of the games.
In Trinity Term, the first Year 3 Cricket Festival allowed over 150 pupils from 8 different primary schools to experience coaching and game play. The event gave the senior cricket players the opportunity to demonstrate their leadership, communication and coaching skills.

Strategic report (continued)

Review of the Year (continued)

Societies

Exploring interests beyond the curriculum is important and student-run societies are encouraged and supported by staff where needed. With over 20 societies and clubs now in existence, students create a personalised Sixth Form experience, well beyond the A Level classroom. Societies include MedSoc, LawSoc, Debating Society, Egalitarian Society, the Oxbridge Corner, MathsSoc, History Society, Economics Society and the Mythological Society.

Drama

Drama has had a very busy year both in the community and in School, whilst delivering some excellent performances all of which have been sold out.

Michaelmas Term saw the formation of a community theatre company called TOYS (Teesdale Operatic Youth Society), a partnership between the School and Teesdale Operatic Society which is open to any child aged 8 – 18 from the local area. Rehearsals of the group culminated in:

- TOYS performance of Matilda in 4 sell-out performances involving 18 pupils and 19 external students from state schools throughout the region.
- TOYS cabaret performance on the last 2 days of School in Trinity Term.

In October 2021, Degenerate Fox, a theatre group, came in to School and ran a workshop for all Drama scholars, finishing with a performance of their piece "The Dirty Thing" which was open to the public.
Lent Term saw the whole School musical "Oliver" which had a cast of 45 pupils who performed in 4 sell-out shows, supported by a pupil tech crew. In the Prep School, years 3 and 4 performed in the musical "Pirates vs Mermaids".

The whole of Prep School Year 5 was involved in their performance "Mystery at Magpie Manor", a hugely entertaining and energetic "whodunit" play where pupils perform amongst the audience.

LAMDA lessons, designed to inspire and empower pupils to be confident communicators, continue to be very popular in both Prep and Senior School with huge successes across the board in the examinations.

Strategic report (continued)

Review of the Year (continued)

Music

The relaxing of COVID restrictions saw a return of whole School singing with every pupil singing together at least once per week. Chapel Choir now boasts over 60 members in Senior School and 42 in Prep – over 14% of all pupils.

The highlight of the year was the performance of the entire School in the Whole School Gala Concert on the 16th March 2022 at the Sage Gateshead. The concert featured performances form the Joint Schools' Orchestra, Prep School Chamber Choir, Senior School Chamber Choir, Chapel Choir, Jazz Band, Wind Band, Saxophone Ensemble, the cast of Oliver and large-scale performances from every pupil in the School. The concert ended with the whole school singing "Happy" in the largest group performance the Sage had ever seen.

Interest in music lessons continued to increase with over 250 individual lessons taking place every week.

Pupils performed both in and out of School:

- The Senior School Autumn Concert featured performances by Wind Band, Jazz Band, Chapel Choir, Junior Orchestra, Senior Woodwind Ensemble, Sax Ensemble and one of the Rock and Pop Bands.
- The Lunchtime concerts continued every Friday.
- The Wind and Jazz Bank performed at the Durham Christmas Market.
- The Chapel Choir, Wind Band and Jazz Band delighted an audience at the Bowes Museum at the annual Christmas Concert.
- The House Singing Competitions involve every pupil in both Prep and Senior Schools and resulted in success for Grenville (Prep) and Longfield (Senior).
- The Have a Go Concert in Prep School saw over 60 pupils performing a musical piece to their peers and parents.

Trinity Term saw a 100% pass rate for all pupils taking ABRSM, LCM and MTB Music Examinations, with 3 pupils gaining Grade 8 in Piano and Singing.

In Lent Term the world class organist, Anna Lapwood (Director of Music at Pembroke College, Cambridge and Associate Artist at the Royal Albert Hall) and William Fox (Assistant Organist at St Paul's Cathedral, London) visited the School to give a recital to celebrate the centenary of the Chapel organ.

Strategic report (continued)

Review of the Year (continued)

The School provides and develops an environment where intellectual curiosity and independence can thrive. IT is now firmly embedded into the life of each member of School, allowing not only for a much greater level of independence and inquisitiveness but also for education to continue irrespective of any restrictions or absences.

The weekly Sixth Form Oxbridge Corner explored issues beyond the curriculum, embracing the next chapter in pupils' lives as they plan their next steps. Extended Project Qualifications provide a further academic stretch and challenge alongside A-Level studies and evidence a genuine interest in a specific area of interest. A third of the sixth form cohort elected to undertake an EPQ with chosen topics ranging from mental health apps to a children's book on intersectional feminism.

In the Prep School, Residential School trips were reinstated with visits to Kingsway Residential Site, Robinwood and London.

Public examinations were reintroduced in Summer 2022 with the full programme of GCSE's and A Levels. After two years of no external examinations, there was considerable uncertainty as to how the pupils would fare with the general consensus being that the results would fall between those of 2019 (the last set of external examinations) and 2021. The pupils coped extremely well, delivering results which were not only significantly higher than the national average but saw good progress over the 2019 external results, allowing all of the Sixth Form leavers to enter the next phase of their lives as they had planned.

Central to the aims of the School is the provision of a seamless and coherent journey from Reception through to the end of Sixth Form. Each pupil's "journey" will show how they develop the various aspects of School life - academically, athletically, socially etc. – and allow staff to cater appropriately for each child. It is important that the pupils who are leaving the Prep School in Year 6 are prepared both mentally and emotionally for the next stage of their education in the Senior School.

An important aspect of this vision is the interaction between the Prep pupils with those from Senior School. Whole School activities such as the Barney Run offer opportunities for all pupils from across the Prep and Senior Schools to mix and to support each other and for the Prep pupils to become more familiar with the whole school facilities. A further example of pupil integration is the Barney Burrow, an initiative in the Prep School which allows pupils who have any worries or are a little sad, simply to go and talk to a member of Sixth Form in a quiet space.

Strategic report (continued)

Review of the Year (continued)

The School recognises and values the symbiotic relationship it has with the communities of Barnard Castle, Teesdale, County Durham and North Yorkshire. The School aims to make a positive and valued contribution to the wider community, advancing the cause of education and social welfare. To achieve this, the School strives to be recognised locally, nationally and internationally as an outstanding developer of young adults; a trusted partner for the provision of educational, sport and welfare support and resources; a great employer and a good neighbour.

As part of a new Activity programme, Monday afternoons now provide the opportunity for all pupils and staff to provide a service to the wider community including. Examples of such service include:

- The Charity group have collected and distributed food to local food banks.
- The Eco group have planted over 100m of hedgerow and have regular litter picking trips in Barnard Castle.
- Shoeboxes covered in Christmas paper and filled with small gifts were sent to boys and girls in Romania.
- The Mental Health group organised various fund-raising events to raise funds for mental health charities

In addition to educating pupils privately and not at the expense of the public purse, the School contributes to both national and local economies and also generates funds from overseas. Oxford Economics and Independent School Council Research undertook an assessment which showed that the School's contribution to national GDP in the financial year 2017/18 was £14m, including the provision of an £8m contribution to County Durham's GDP. The analysis also concluded that the total UK Tax payments supported by the School's activities amounted to £4.1m and the saving to the UK taxpayer derived from the School's pupil attendance was £3.7m. The School continues to employ a similar number of staff and it is estimated that the School's activities directly support about 340 individuals in total. The Governors believe that this assessment remains valid and it is likely that the School's contribution to both the national and local economies has increased as a result of the increase in student numbers since the 2017/18 research was undertaken.

Transformational Bursaries and Scholarships

The School has long focused on developing young people of character; individuals with the confidence, compassion, creativity and humanity to make a real difference in our ever-changing world. Moreover, providing access to children, regardless of their means, has been a core tenet of the School since 1881, when the first governing document enshrined this principle.

While the School does not have the benefit of a strong financial endowment, the School continues to support a number of pupils through Bursaries and Scholarships. Parents are encouraged to apply for Bursaries, which are awarded based on a fair and rigorous means testing process; the means assessment is revisited each year. As a result, 46 pupils received means-tested assistance with fees this year (equivalent to 26 full places). Financial assistance and educational extension opportunities were also awarded to a number of pupils who successfully gained places on the Scholarship Programme (94 in the current year).

At the end of the academic year there were 4 Ukrainian pupils in School with another joining in September. The School works closely with Darlington Borough Council and provides transformational bursaries to a number of looked after and vulnerable children from the borough. During the year the School gained accreditation with the Royal National Children's Springboard Foundation and welcomed their first Springboarder in September 2022 with the intention of more to follow each academic year.

Strategic report (continued)

Review of the Year (continued)

Educational, Sport and Welfare Community Support

A core principle of the School is the belief that it has a duty to support the local community wherever it is realistic to do so. The School has continued to provide facilities and support to a number of different organisations including:

- **Use of the School's playing fields:**
  - Barnard Castle FC
  - Raby Castle Cricket Club
  - Barnard Castle Cricket Club
  - Middleton Cricket Club
  - Glaxo Squash
  - Glaxo FC
  - Durham Palatinates netball
  - Classic Car Show
  - North East Netball
  - BCRUFC Ladies
  - Teesdale Operatic Society
  - Durham Co School cross country
  - Pony Club Triathlon
  - Holi Festival
  - Durham Co Cricket (various ages)
  - Northern Diamond Cricket Academy
  - Girls U11 County cricket
  - Durham Close Protection Unit Training

- **Professional development:**
  - Hosting professional development opportunities for teachers and support staff from other schools.
  - Hosting masterclasses and the provision of UCAS advice and interview experience for candidates from local maintained schools.
  - Governors and staff serve on the Governing Bodies of various maintained schools.
  - The School provides a large number of examiners to the main examination boards and one of its Heads of Departments advises Durham University on PGCE applicants.

- **Hosting events**:
  - The Festival Weekend in September when the School hosted 36 rugby and hockey teams from both the state and independent sectors allowing over 400 children the opportunity to safely return to sport.
  - The Cricket Festival in the Trinity Term saw over 150 pupils from 8 different primary schools experiencing coaching and game play.
  - The School hosted an evening celebration of the Holi Festival where pupils and staff entertained the town Mayor and various members of the town.
  - Summer Activity Weeks open to the whole community during the Summer holidays.

- **Use of the School's facilities:**
  - Duke of Edinburgh's Award local assessors use the School as a meeting place for coordination and planning.
  - "Clique", a local charity, holds its annual fundraising dinner in the School.
  - The local Barnard Castle Rotary Club use the auditorium for charity lectures.
  - Barnard Castle School Choral Society use the Chapel.
  - The Chapel is available for use by the community and visitors are encouraged on Heritage Open Days.
  - The School makes additional parking available without charge to the Bowes Museum on busy occasions and for special exhibitions. Further, the School is a designated place of safety for the Bowes Museum's collection of art and artefacts.
  - The School's playing fields are used as landing zones for helicopters carrying members of the Royal family and other dignitaries to local engagements.

Strategic report (continued)

Review of the Year (continued)

Financial review

The financial results reflected the return to normality with an increase in income driven not only by increased pupil numbers, which was countered by increases in the various direct costs headings as the pupils returned physically to School. The Financial Statements show an operating profit of £224,978 for the year before pension adjustments (2021: loss of £354,609). Included within these figures was a loss on investments of £129,198 (2021: gain of £101,243).

The net assets of the School at the balance sheet date were £8,816,852 (2021: £8,591,874). Fixed asset additions amounted to £513,068 in the year.

Admissions & Marketing

The Admissions department has continued its year-on-year improvement and raised the School roll to its highest level for 12 years. The post Covid relaxation of travel restrictions allowed international pupils to return whilst it was pleasing to see strong demand from the domestic market for both day and boarding places.

Reserves Policy

The policy of the School is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in its infrastructure. As at 31 August 2022, the School held fund balances of £8,816,852 comprising £8,165,763 unrestricted funds, £605,214 restricted funds and £45,875 endowment funds.

The Durham County Council Local Government Scheme notional pension fund calculation is impacted by the assumptions made at the end of the financial year and can result in large swings in the valuation. In the short term, the opinion of the Governors is that the calculation has only a limited effect on the School's cash flow, while in the longer term the effects are expected to be sustainable out of the future income and are therefore disregarded for reserve policy purposes. Options which might mitigate the risk continue to be explored.

After making appropriate enquiries the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

Investment Policy

The Governors' investment powers are derived from the powers vested in them under the School's Articles of Association and they have delegated the management of the investment portfolio to Brewin Dolphin and BlackRock. The Governors' policy is to adopt a low to medium risk investment strategy.

Principal Risks and Uncertainties

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to identify and minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects coupled with the judicious use of cash reserves to deal with monthly fluctuations in cash flow.

Estate Development

Investment in the fabric of the School continued with the creation of a new Design & Technology workshop space, new windows and doors for the Languages and Chemistry teaching buildings, a new visitor room and a staff room for Prep School, a new grounds tractor and the commencement of the phased refurbishment of the kitchen with major electrical upgrades and the installation of new catering equipment. The phased programme for the boys boarding houses continued with the total refurbishment of the bathroom facilities.

Plans for Future Periods

The School's Strategic Plan, supported by the Development Plan and Capital Plan, set out the plans of the Headmaster and his Senior Management Team for the School over the next 10 years. These documents are regularly reviewed and updated and have the full support of the Governing Body. The Plans have a level of flexibility incorporated within them to allow for such events as the Covid pandemic to ensure that the School operates within agreed, prudent financial parameters.

School's Alumni

The aim is to establish and maintain a strong Barnardian network from entry point into the School throughout the lives of Old Barnardian's (OB's), developing a strong alumni network with on-going communication between the School and the OB's. Trinity term saw the appointment of a new Director of Development and Alumni Relations.

The OB network plays a significant role in the School's Lecture Series as a rich source of speakers on a wide variety of subjects, encompassing professions, life themes and opportunities.

Structure, governance and management

Independent Schools Inspectorate

The School continues to be regulatory compliant, meeting all necessary standards. There were no inspections in the year.

Governing Document

The governance of the Charity is set out in its governing document, the Memorandum and Articles of Association. The Charity is a limited company, limited by guarantee, as defined by the Companies Act 2006. The most recent amendment to the Articles of Association was made on 13th September 2019 when the current Articles of Association were adopted.

Structure, governance and management (continued)

The Governing Body

The School is governed by a Board of Governors (the Board), comprising Foundation Governors who are appointed by a resolution of the Board, and Nominated Governors who are nominated by the relevant organisations listed in the Articles of Association and appointed by a resolution of the Board.

The Board of Governors identifies suitable Foundation candidates with the skills and experience appropriate to the perceived needs of the School and who will contribute to maintaining a balanced, diverse and effective Board. A Governors' skills matrix is maintained to ensure that the core requirement to recruit responsible individuals with an active interest, the time necessary to fulfil their duties and the complementary expertise to add value to the Board, is achieved.

All new Governors are given a copy of the School's Governor Handbook and an induction which includes a full tour of the School and meetings with key management and staff, and a range of students.

Governor training is an ongoing process achieved through internal training and by training programmes and best practice manuals provided by organisations such as AGBIS. All Governors regularly complete a self-review and a general governing body audit is conducted annually together with an individual skills assessment which provides the opportunity to analyse contribution and to identify any new requirements or additional training needs.

The Governors all give their time freely and accordingly no remuneration was paid in the year. Details of any expenses and related party transactions are disclosed in note 29 to the Accounts.

Organisational Management

The Board determines the general policy and strategic direction of the School in close collaboration with the Headmaster and his Senior Management Team who are responsible for its implementation and administration throughout the Senior and Prep schools. The day-to-day management of the School, therefore, is delegated to the Headmaster, who undertakes the key leadership role overseeing educational, pastoral and administrative functions, supported by his Senior Management Team.

The full Board of Governors meets formally three times a year with the Headmaster and his Senior Management Team in attendance. The purpose of the meetings is to determine, agree and ensure effective implementation of the strategic direction, general policies and procedures and financial oversight of the School. To facilitate this process and to ensure optimal output, four committees have been established, each of which meets at least once a term. The members of the committees are selected for their specific relevant expertise and are allocated individual areas of responsibility. The four committees are as follows:

- Finance & Estates (Including Risk and Audit)
- Education, Welfare & Staff Development
- Strategy, Marketing & Development
- Governance

The Terms of Reference of each committee are reviewed annually by the full Board.

The Senior Management Team provide each respective Governor sub-committee with at least termly reports. Each committee reviews and monitors these reports to measure performance and identify trends with regard to – as is appropriate to each committee - academic performance, pastoral care, marketing and development, historic and future financial performance.

The Headmaster oversees the recruitment and management of all educational staff, whilst the Bursar oversees the recruitment and management of administrative and non-teaching support staff.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Risk Management

The Governors have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against the key risks faced by the School. The School maintains an up-to date register of the main areas of risk to the ongoing operations of the School. Risks are categorised as Governance and Strategic, Operational, Financial and External.

Pay Policy for Senior Staff

The remuneration of the Headmaster is set by the Chairman and Vice-Chairs of the Board. Senior management salaries are set by the Headmaster and reviewed by the Finance & Estates Committee using a diverse set of criteria including, inter alia, benchmark reports provided by sector associations such as AGBIS (the Association of Governing Bodies of Independent Schools), IAPS (Independent Association of Prep Schools) and the ISC (Independent Schools Council), together with those of respected consultants within the sector.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the Board of Governors on 18 May 2023 and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

The Governors (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Governors' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

In so far as the Governors are aware:

- there is no relevant audit information of which the charity auditor are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the Board of Governors on 18 May 2023 and signed on its behalf by:

Mrs C J Sunley
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL

Opinion

We have audited the financial statements of Barnard Castle School (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 Charity'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. 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 course of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Charity. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around employment law, charity law, company law, health and safety law, food and hygiene regulations, taxation law, Independent Schools Regulator and GDPR.
- Enquiry of Governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries

Through these procedures, we did not become aware of actual or suspected non-compliance.

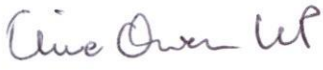
We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Use of our report

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Antony Luckett BCom BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date:

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies	3	15,937	-	-	15,937	114,838
Charitable activities:	6					
School fees		11,619,316	-	-	11,619,316	10,341,461
Other income		41,325	-	-	41,325	60,087
Cost of providing school buses		(42,691)	-	-	(42,691)	(111,090)
Remissions		(1,269,480)	-	-	(1,269,480)	(1,246,283)
Other trading activities	4	192,234	-	-	192,234	85,040
Investments	5	3,064	13,253	-	16,317	14,359
Government grants	7	-	-	-	-	34,552
Total		10,559,705	13,253	-	10,572,958	9,292,964
Expenditure on:						
Raising funds	8	68,508	3,824	-	72,332	89,720
Charitable activities:	9					
Teaching and governance		5,863,418	-	-	5,863,418	5,543,638
Premises		2,362,515	-	-	2,362,515	2,490,955
Welfare		1,031,168	-	-	1,031,168	787,397
Other charitable activities		884,002	5,347	-	889,349	837,106
Total		10,209,611	9,171	-	10,218,782	9,748,816
Net income/(expenditure) before net (losses)/gains on investments		350,094	4,082	-	354,176	(455,852)
Net (losses)/gains on investments		-	(129,198)	-	(129,198)	101,243
Net income/ (expenditure)		350,094	(125,116)	-	224,978	(354,609)
Transfers between funds	24	14,628	(14,628)	-	-	-
Net movement in funds before other recognised gains carried forward		364,722	(139,744)	-	224,978	(354,609)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Net movement in funds before other recognised gains/(losses) brought forward		364,722	(139,744)	-	224,978	(354,609)
Other recognised gains:						
Actuarial gains/(losses) on defined benefit pension scheme	29	-	-	-	-	960,000
Net movement in funds		364,722	(139,744)	-	224,978	605,391
Reconciliation of funds:						
Total funds brought forward		7,801,041	744,958	45,875	8,591,874	7,986,483
Net movement in funds		364,722	(139,744)	-	224,978	605,391
Total funds carried forward		8,165,763	605,214	45,875	8,816,852	8,591,874

The notes on pages 30 to 55 form part of these financial statements.

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)
REGISTERED NUMBER: 06596258

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	14		6,454		7,957
Tangible assets	15		10,053,478		10,262,525
Investments	16		510,953		638,493
			10,570,885		10,908,975
Current assets					
Stocks	17	55,045		70,268	
Debtors	18	819,364		586,357	
Cash at bank and in hand		2,612,676		1,819,912	
		3,487,085		2,476,537	
Creditors: amounts falling due within one year	19	(3,074,291)		(2,420,361)	
Net current assets			412,794		56,176
Total assets less current liabilities			10,983,679		10,965,151
Creditors: amounts falling due after more than one year	20		(2,166,827)		(2,373,277)
Net assets excluding pension asset			8,816,852		8,591,874
Total net assets			8,816,852		8,591,874

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Charity funds			
Endowment funds	24	45,875	45,875
Restricted funds	24	605,214	744,958
Unrestricted funds	24	8,165,763	7,801,041
Total funds		8,816,852	8,591,874

The financial statements were approved and authorised for issue by the Governors on 18 May 2023 and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	26	1,497,102	(165,383)
Cash flows from investing activities			
Proceeds from the disposal of tangible fixed assets		2,750	621
Purchase of intangible assets		-	(8,800)
Purchase of tangible fixed assets		(513,068)	(741,968)
Proceeds from sale of investments		95,688	98,473
Purchase of investments		(97,346)	(104,937)
Dividend income		13,253	12,815
Interest received		3,064	1,544
Net cash used in investing activities		(495,659)	(742,252)
Cash flows from financing activities			
Cash inflows from new borrowing		-	1,850,000
Loan repayments in year		(49,094)	(49,226)
Capital repayments in year		(159,585)	(104,580)
Net cash (used in)/provided by financing activities		(208,679)	1,696,194
Change in cash and cash equivalents in the year		792,764	788,559
Cash and cash equivalents at the beginning of the year		1,819,912	1,031,353
Cash and cash equivalents at the end of the year	27	2,612,676	1,819,912

The notes on pages 30 to 55 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006. The financial statements have been prepared under the historial cost convention with the exception of investments which are included at market value.

There were no material departures from the standard.

Barnard Castle School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements are reported in £ sterling.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred in directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

1. Accounting policies (continued)

1.3 Expenditure (continued)

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.4 Government grants

Grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.5 Tangible fixed assets and depreciation

No depreciation is provided on freehold land.

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 5% straight line
Motor vehicles	- 10 - 25% straight line
Fixtures and fittings	- 5 - 33% straight line
Building alterations	- 2 - 20% straight line
Computer equipment	- 20 - 33% straight line

1.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost and subsequently stated at cost net of amortisation and any provision for impairment. Intangible assets are being amortised over their expected useful lives on the following straight line basis:

Amortisation is provided on the following basis:

Computer Software	- 20 - 25% straight line

1.7 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

1.8 Taxation

The charity is exempt from corporation tax on its charitable activities.

1. Accounting policies (continued)

1.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent the permanent funds of the School. All income generated by these funds are unrestricted and used for the purpose of the School.

Investment income, gains and losses are allocated to the appropriate fund.

1.10 Pensions

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Charity in separate government administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The actuary has undertaken a valuation of the LGPS as at 31 August 2022 which shows an asset of £2,710,000. In accordance with Section 28.22 of FRS102 as the Charity will not benefit from either reduced contribution rates in the future nor a refund from the scheme, the asset is not recognised within these financial statements.

1.11 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1. **Accounting policies (continued)**

1.12 Provisions

Provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, for which it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Financial instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.
Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20 . Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.15 Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Balance Sheet over the relevant period. The capital element of the future payments is treated as a liability.

2. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

LGPS - The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Bad debt provision - There are two provisions included within the financial statements; full provision and partial provision. The full provision provides for 100% of balances that are not considered to be recoverable. The partial provision provides for 25% of balances that are doubtful debts. The total bad debt provision within the financial statements is £140,098.

Goodwin - The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £6,470 which has been assessed to be immaterial to the financial statements.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	8,064	8,064	91,948
Legacies	7,873	7,873	22,890
Total 2022	15,937	15,937	114,838
Total 2021	114,838	114,838	

4. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings and event income	192,234	192,234	85,040
Total 2022	192,234	192,234	85,040
Total 2021	85,040	85,040	

5. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income from listed investments	-	13,253	13,253	12,815
Deposit account interest	3,064	-	3,064	1,544
Total 2022	3,064	13,253	16,317	14,359
Total 2021	1,544	12,815	14,359	

6. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
School fees	11,619,316	-	11,619,316	10,341,461
Other income	41,325	-	41,325	60,087
Cost of providing school buses	(42,691)	-	(42,691)	(111,090)
Remissions	(1,269,480)	-	(1,269,480)	(1,246,283)
Total 2022	10,348,470	-	10,348,470	9,044,175
Total 2021	9,058,377	(14,202)	9,044,175	

Included within Remissions are remote learning discounts on day fees that were offered to all parents as a result of the Covid-19 pandemic of £Nil (2021: £34,334).

7. Government grants

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Coronavirus Job Retention Scheme grants	-	-	34,552
Total 2021	34,552	34,552	

8. Raising funds - expenditure

Other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings and event costs	68,508	-	68,508	85,751
Investment management fees	-	3,824	3,824	3,969
	68,508	3,824	72,332	89,720
Total 2021	85,751	3,969	89,720	

9. Analysis of charitable expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Teaching and Governance	5,776,201	87,217	5,863,418	5,543,638
Premises	1,641,647	720,868	2,362,515	2,490,955
Welfare	1,031,168	-	1,031,168	787,397
Other	817,906	71,443	889,349	837,106
	9,266,922	879,528	10,146,450	9,659,096
Total 2021	8,736,497	922,599	9,659,096	

In 2022 of the total charitable expenditure of £10,146,450 (2021: £9,659,096), £10,141,103 (2021: £9,653,749) was to unrestricted funds, £5,347 (2021: £5,347) was to restricted funds and £Nil (2021: £Nil) was to endowment funds.

9. Analysis of charitable expenditure by activities (continued)

Analysis of direct costs

	Teaching and Governance 2022 £	Premises 2022 £	Welfare 2022 £	Other 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	-	-	-	-	-	10,000
Staff costs	5,294,986	784,317	513,459	521,673	7,114,435	6,837,130
Teaching resources	220,321	-	-	-	220,321	143,096
Premises and grounds	-	102,856	-	-	102,856	88,469
Rates	-	73,633	-	-	73,633	68,644
Insurance	18,963	80,205	-	-	99,168	93,366
Light, heat and water	-	273,841	-	-	273,841	226,086
Other teaching costs	155,488	-	-	-	155,488	148,892
Travel	86,443	-	2,279	-	88,722	31,235
Catering	-	-	495,353	-	495,353	306,036
Laundry	-	-	7,224	-	7,224	2,018
Nursing	-	-	12,853	-	12,853	8,889
Cleaning	-	79,577	-	-	79,577	194,762
Maintenance	-	247,218	-	-	247,218	299,605
Marketing and development	-	-	-	80,850	80,850	73,430
IT costs	-	-	-	108,476	108,476	86,176
Administration	-	-	-	88,861	88,861	78,278
Recruitment	-	-	-	22,408	22,408	18,284
Bad debts	-	-	-	(4,362)	(4,362)	22,101
	5,776,201	1,641,647	1,031,168	817,906	9,266,922	8,736,497
Total 2021	5,459,776	1,703,947	787,397	785,377	8,736,497	

9. Analysis of charitable expenditure by activities (continued)

Analysis of support costs

	Governance 2022 £	Premises 2022 £	Finance 2022 £	Total funds 2022 £	Total funds 2021 £
Depreciation and amortisation	-	723,414	-	723,414	741,840
(Surplus)/deficit on disposal of assets	-	(2,546)	-	(2,546)	45,168
Bank charges	-	-	14,680	14,680	12,966
Bank interest	-	-	39,486	39,486	7,672
Leasing interest	-	-	17,277	17,277	23,851
Interest paid to HMRC	-	-	-	-	7,240
Governance costs	87,217	-	-	87,217	83,862
	87,217	720,868	71,443	879,528	922,599
Total 2021	83,862	787,008	51,729	922,599	

10. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	11,000	11,000
Depreciation - owned assets	671,245	690,641
Depreciation - assets on finance lease	50,666	49,666
(Surplus)/deficit on disposal of fixed assets	(2,546)	45,168
Computer software amortisation	1,503	1,533
Operating lease payments	119,233	75,923

11. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,000	11,000
Fees payable to the Charity's auditor in respect of:		
All taxation advisory services not included above	430	410
All non-audit services not included above	6,474	2,474

12. Governors' remuneration and benefits

During the year, no Governor received any remuneration or other benefits (2021: £Nil).

During the year ended 31 August 2022, travel expenses, being the only expenses reimbursed to Governors, totalled £2,176. These were reimbursed or paid directly to 5 Governors (2021 - £Nil).

13. Staff costs

	2022 £	2021 £
Wages and salaries	5,514,233	5,295,948
Social security costs	550,889	503,888
Other pension costs	1,049,313	1,037,294
	7,114,435	6,837,130

Included in other pension costs is a credit of £Nil (2021: £20,000 credit) relating to the pension deficit actuarial adjustment.

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

	2022 No.	2021 No.
Teaching	108	108
Support	19	17
Welfare	26	29
Premises	38	37
	191	191

13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	-	1
In the band £130,001 - £140,000	1	-

Pension contributions of £68,193 (2021: £60,529) were made to defined benefit and contribution schemes on behalf of these employees.

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the School was £698,237 (2021: £633,779).

14. Intangible assets

	Computer software £
Cost	
At 1 September 2021	44,134
At 31 August 2022	44,134
Amortisation	
At 1 September 2021	36,177
Charge for the year	1,503
At 31 August 2022	37,680
Net book value	
At 31 August 2022	6,454
At 31 August 2021	7,957

15. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2021	14,211,412	1,015,714	1,856,041	18,621	806,264	17,908,052
Additions	157,391	-	279,566	40,020	36,091	513,068
Disposals	-	-	(260)	-	-	(260)
At 31 August 2022	14,368,803	1,015,714	2,135,347	58,641	842,355	18,420,860
Depreciation						
At 1 September 2021	5,622,912	234,444	1,389,554	12,056	386,561	7,645,527
Charge for the year	436,462	50,786	94,599	4,463	135,601	721,911
On disposals	-	-	(56)	-	-	(56)
At 31 August 2022	6,059,374	285,230	1,484,097	16,519	522,162	8,367,382
Net book value						
At 31 August 2022	8,309,429	730,484	651,250	42,122	320,193	10,053,478
At 31 August 2021	8,588,500	781,270	466,487	6,565	419,703	10,262,525

Included in cost of freehold property is freehold land of £55,240 (2021: £55,240) which is not depreciated.

Fixed assets, included in the above, which are held under finance leases are as follows:

	2022 £	2021 £
Cost		
At 1 September	993,321	993,321
Additions	40,020	-
	1,033,341	993,321
Depreciation		
At 1 September	231,626	181,960
Charge for year	50,666	49,666
	282,292	231,626
Net book value		
At 31 August	712,029	761,695

16. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2021	638,493
Additions	97,346
Disposals	(95,688)
Revaluations	(129,198)
At 31 August 2022	510,953
Net book value	
At 31 August 2022	510,953
At 31 August 2021	638,493

17. Stocks

	2022 £	2021 £
Stocks	55,045	70,268

18. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	242,795	148,530
Other debtors	26,800	58
Prepayments and accrued income	549,769	437,769
	819,364	586,357

19. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts (see note 20)	146,492	114,036
Trade creditors	662,088	455,355
Other taxation and social security	271,211	248,066
Finance leases (see note 21)	135,639	122,829
Other creditors	146,642	151,772
Accruals and deferred income	1,712,219	1,328,303
	3,074,291	2,420,361

	2022 £	2021 £
Deferred income		
Deferred income at 1 September 2021	1,282,439	1,075,026
Resources deferred during the year	1,623,327	1,282,439
Amounts released from previous periods	(1,282,439)	(1,075,026)
	1,623,327	1,282,439

Deferred income at the balance sheet date is in relation to monies received for school fees and courses for periods from 1st September 2022.

20. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans (see note 20)	1,749,470	1,895,931
Finance leases (see note 21)	136,179	243,663
Other creditors	281,178	233,683
	2,166,827	2,373,277

21. Loans

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Loans	146,492	114,036
Amounts falling between one and two years:		
Loans - 1-2 years	146,492	146,492
Amounts falling due between two and five years:		
Loans - 2-5 years	1,602,978	353,824
Amounts falling due in more than five years:		
Repayable by instalments:		
Loans more 5 years	-	1,395,615

The SONIA (previously LIBOR) bank loan is repayable over a period of 14 years on a quarterly basis with interest charged at 2.4% above SONIA. The remaining term of this loan is 2 years and 3 months. In December 2021 on the cessation of LIBOR, the loan transitioned to SONIA interest rates.

The Coronavirus Business Interruption Loans received in November 2020 are repayable over a period of 6 years. The first loan is repayable on a monthly basis starting 13 months after drawdown with interest charged at 2.59% above the Bank of England base rate. The second loan can be repaid without penalty at any time within the 6 year period with interest charged at 2.66% above the Bank of England base rate. The remaining term on these loans is 4 years and 3 months.

22. Leasing agreements

	Finance Leases 2022 £	Finance Leases 2021 £
Net obligations repayable:		
Within one year	135,639	122,829
Between one and five years	136,179	243,663
In more than five years	-	-
	271,818	366,492

The finance lease relates to a tractor and to the installation and purchase of a Biomass Boiler System. The term of the tractor lease is 5 years ending in April 2027. The term of the Biomass lease is 7 years ending in July 2024. The Biomass Boiler System is accredited by the OFGEM Non Domestic Renewable Heat Incentive Scheme.

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	75,806	88,071
Between one and five years	64,414	107,028
	140,220	195,099

23. Secured debts

The following secured debts are included within creditors:

	2022 £	2021 £
Coronavirus Business Interruption Loans	1,785,088	1,850,000
SONIA Loan	110,874	159,967
Finance leases	271,818	366,492
	2,167,780	2,376,459

The SONIA loan is secured by way of a legal mortgage and fixed charge over the School's land.

The Coronavirus Business Interruption Loans are secured by way of a legal charge and debenture over the School land and buildings excluding the 'third' field.

The finance lease contract is secured over the tractor to which it relates.

The finance lease contract is secured over the Biomass Boiler System to which it relates.

24. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Revenue reserve	7,201,041	10,559,705	(10,209,611)	14,628	-	7,565,763
Designated Funds	600,000	-	-	-	-	600,000
	7,801,041	10,559,705	(10,209,611)	14,628	-	8,165,763
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	575,215	13,253	(3,824)	-	(129,198)	455,446
Hearnshaw Legacy	85,784	-	-	(14,628)	-	71,156
Science Centre Donation	83,959	-	(5,347)	-	-	78,612
	744,958	13,253	(9,171)	(14,628)	(129,198)	605,214
Total of funds	8,591,874	10,572,958	(10,218,782)	-	(129,198)	8,816,852

24. Statement of funds (continued)

Designated Funds contain legacies received by the School which will be used to invest in capital projects.

The Foundation Endowment was formed when the School was established. This is considered to be an endowed fund which is held in the form of land.

The Barnard Castle School Prize & Scholarship Fund is used for funding scholarships and the purchase of prizes.

The Hearnshaw Legacy was a legacy received for the payment of a scholarship for an A Level science place.

The Science Centre fund was initially given to invest in science capital projects. However an opportunity arose in a prior year for two projects, the sports hall refurbishment and creation of the music performance space. The donor was approached and gave his permission for the money to be used in this manner. Depreciation relating to these assets is allocated to the fund annually.

24. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Revenue reserve	6,671,988	9,294,351	(9,739,500)	14,202	960,000	7,201,041
Designated Funds	600,000	-	-	-	-	600,000
	7,271,988	9,294,351	(9,739,500)	14,202	960,000	7,801,041
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	479,328	(1,387)	(3,969)	-	101,243	575,215
Hearnshaw Legacy	99,986	-	-	(14,202)	-	85,784
Science Centre Donation	89,306	-	(5,347)	-	-	83,959
	668,620	(1,387)	(9,316)	(14,202)	101,243	744,958
Total of funds	7,986,483	9,292,964	(9,748,816)	-	1,061,243	8,591,874

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,933,902	73,701	45,875	10,053,478
Intangible fixed assets	6,454	-	-	6,454
Fixed asset investments	-	510,953	-	510,953
Current assets	3,466,525	20,560	-	3,487,085
Creditors due within one year	(3,074,291)	-	-	(3,074,291)
Creditors due in more than one year	(2,166,827)	-	-	(2,166,827)
Total	8,165,763	605,214	45,875	8,816,852

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,137,603	79,047	45,875	10,262,525
Intangible fixed assets	7,957	-	-	7,957
Fixed asset investments	-	638,493	-	638,493
Current assets	2,449,119	27,418	-	2,476,537
Creditors due within one year	(2,420,361)	-	-	(2,420,361)
Creditors due in more than one year	(2,373,277)	-	-	(2,373,277)
Total	7,801,041	744,958	45,875	8,591,874

26. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	224,978	(354,609)
Adjustments for:		
Depreciation charges	721,911	740,307
Amortisation charges	1,503	1,533
Losses/(gains) on investments	129,198	(101,243)
Dividends, interests and rents from investments	(3,064)	(1,544)
(Profit)/loss on the sale of fixed assets	(2,546)	45,168
Decrease in stocks	15,223	11,117
Increase in debtors	(233,007)	(53,745)
Increase/(decrease) in creditors	656,159	(459,552)
Dividend income	(13,253)	(12,815)
Pension Liability Adjustment	-	20,000
Net cash provided by/(used in) operating activities	1,497,102	(165,383)

27. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	2,612,676	1,819,912
Total cash and cash equivalents	2,612,676	1,819,912

28. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,819,912	792,764	2,612,676
Debt due within 1 year	(114,036)	(32,456)	(146,492)
Debt due after 1 year	(1,895,931)	146,461	(1,749,470)
Finance leases	(366,492)	94,674	(271,818)
	(556,547)	1,001,443	444,896

29. Pension commitments

The Charity's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are multi-employer defined benefit schemes.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in schools. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £854,263 (2021: £825,077).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with assets held in separate government-administered funds. The total employer's contributions for the year ended 31 August 2022 totalled £195,052 (2021: £201,172).

29. Pension commitments (continued)

The Governors are of the view that the Charity should not recognise a pension scheme asset as it pre-determines the reduction in future pension contributions and commitments. The notes included in these accounts show the defined benefit obligation together with the fair value of the scheme assets which shows there are excess assets over obligations of £2,710,000 (2021: £370,000).

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2022 %	At 31 August 2021 %
Discount rate	4.2	1.7
Future salary increases	3.9	3.7
Future pension increases	2.9	2.7
CPI inflation	2.9	2.7
Pension accounts revaluation rate	2.9	2.7

	At 31 August 2022 Years	At 31 August 2021 Years
Mortality rates (in years)		
- for a male aged 65 now	22.1	22.3
- at 65 for a male aged 45 now	23.2	23.3
- for a female aged 65 now	24.2	24.3
- at 65 for a female aged 45 now	25.7	25.8

The Charity's share of the assets in the scheme was:

	At 31 August 2022 £	At 31 August 2021 £
Equities	5,020,000	5,830,000
Property	770,000	640,000
Government bonds	1,040,000	1,590,000
Corporate bonds	400,000	1,780,000
Cash	130,000	450,000
Other	490,000	-
Multi Asset Credit	1,330,000	-
Total fair value of assets	9,180,000	10,290,000

The actual return on scheme assets was £1,000,000 (2021 - £1,720,000).

29. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	160,000	170,000
Interest income	(170,000)	(140,000)
Interest cost	170,000	150,000
Total amount recognised in the Statement of Financial Activities	160,000	180,000

Movements in the present value of the defined benefit obligation were as follows:

	2022 £	2021 £
Opening defined benefit obligation	9,920,000	9,610,000
Interest cost	170,000	150,000
Contributions by scheme participants	20,000	20,000
Actuarial (gains)/losses	(3,510,000)	250,000
Benefits paid	(270,000)	(280,000)
Current service cost	140,000	170,000
Closing defined benefit obligation	6,470,000	9,920,000

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2022 £	2021 £
Opening fair value of scheme assets	9,920,000	8,670,000
Expected return on assets	170,000	140,000
Actuarial (losses)/gains	(3,510,000)	1,210,000
Contributions by employer	140,000	160,000
Contributions by scheme participants	20,000	20,000
Benefits paid	(270,000)	(280,000)
Closing fair value of scheme assets	6,470,000	9,920,000

30. Related party transactions

P D A Mothersill is a Trustee of The Bowes Museum. During the year purchases of £85 (2021: £Nil) were made for Museum visits. Balance outstanding in trade creditors at year end was £Nil (2021: £Nil).

D C Osborne is a Director of Roman Ltd. During the year purchases of £Nil (2021: £1,600) were made for Covid-19 safety screens. Balance outstanding in trade creditors at year end was £Nil (2021: £Nil).

N P Hodges is a Director of The Witham Hall Ltd. During the year purchases of £422 (2021: £Nil) were made for workshops. Balance outstanding in trade creditors at year end was £Nil (2021: £Nil).

31. Company limited by guarantee

The School is a company limited by guarantee. The members of the School are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

BARNARD CASTLE SCHOOL

England & Wales - Charity number 1125375

Accounts

Registered company number: 06596258 (England and Wales)
Registered Charity number: 1125375

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2021

Governors

Mr P D A Mothersill, (resigned as Chair on 1 September 2021)
Mrs C J Sunley, Chair (appointed as Chair on 1 September 2021)
Dr J R Elphick, Vice Chair
Ms S A A Ali (appointed 31 March 2021)
Mr I M Allison
Mr N J Bliss
Mr N P Hodges, Old Barnardians Club[1]
Mr J H Hunter (resigned 29 March 2022)
Mr P A Kelsall
Ms K Marshall (appointed 18 October 2021)
Mr R I Moffatt
Ms C M Newnam
Mr D C Osborne
Mr D S Penny (resigned 16 September 2021)
Mr E R Rendall
Mr G M Richardson, Durham County Council[1]
Mr D F Starr, Durham University[1]
Dr N Thorpe, Newcastle University[1]
Ms D Vinsome

[1] Nominated Governors

Company registered number

06596258 (England and Wales)

Charity registered number

1125375

Registered office

Newgate
Barnard Castle
County Durham
DL12 8UN

Company secretary

Mrs S M Metcalf

The Headmaster

Mr A C Jackson

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers

NatWest Bank Plc
29 Newgate Street
Bishop Auckland
County Durham
DL14 7ET

Investment Advisers

BlackRock Fund Managers Limited
12 Throgmorton Avenue
London
EC2N 2DL

Brewin Dolphin
10 Wellington Place
Leeds
LS1 4AN

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

CHAIR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The chair presents her statement for the year.

If 2020 was the year of resilience, 2021 was the year of flexibility and adaptability, underpinned by a positive "can do" attitude. Each term brought different challenges, and pupils, staff and parents seamlessly changed their routines with little notice and minimal fuss.

Michaelmas saw an increased pupil roll returning to year group bubbles and COVID measures. Protective measures were put in place and a marquee was erected to allow for pandemic-appropriate, social spaces for pupils. The Day Houses were developed so that pupils could swap the marquee for these warmer spaces as Winter approached and the temperature fell. The significant IT investment made in Summer 2020 allowed pupils to remain in class and teachers to move around the School site, drastically reducing traffic and the mixing of different year groups. The co-curricular programme was adapted, CCF thrived, inter-school matches were swapped for inter-house competitions and, wherever possible, the whole School came together, albeit outside and socially distanced. One such gathering was on Remembrance Day, when the whole School gathered on the playing fields for one of the most poignant Remembrance Services anyone can remember. Term ended with 12 international students remaining in School for the entirety of the festive period and spending Christmas together, complete with tree, turkey and presents.

Lent Term heralded yet more challenges with a Government announcement on 4th January that the country was once again going back into lockdown. Staff had to adapt to having 104 Boarders and a further 90 key worker children in School with the rest of the pupils at home. The Learning@Home programme was activated immediately with live lessons, assignments, activity programmes and house competitions. Engagement, balance and sustainability are the core features of the Learning@Home programme as it encompasses the whole education with:

- The Academic curriculum: the teaching of the curriculum, in line with the normal academic requirements of each year group;
- Engagement and Enrichment: providing stimulation, engagement and interaction with others, as well as a sense of community and belonging; and
- All being underpinned by Robust Pastoral Support providing regular contact between School, pupils and parents.

In addition, the School set up an Asymptomatic Testing Centre and pupils willingly tested themselves on a regular basis, each of them aware of the importance of what they were doing.

Trinity Term brought some elements of normality with pupils returning to School, albeit into year group bubbles once more. The warmer weather allowed for a greater number of activities outside and for the children to socialise in a safe environment. Public examinations were once again cancelled and replaced with individual assessments of pupils by teachers with a range of supporting evidence. This decision placed additional pressure on the Staff who had to accommodate the unique circumstances within their normal teaching commitments. However, the hard work and dedication of the pupils and the Staff paid off with an excellent set of results.

Governors themselves adapted the manner in which they supported and communicated with the School. Meetings were held virtually to minimise contact and, where necessary, held more frequently as the School dealt with the challenges brought by COVID-19.

The Governors would like to acknowledge and thank all stakeholders for their support over the last 18 months and, in particular, to the Staff who have shown a positive, united front throughout, dealing with each challenge in their stride whilst continuing to deliver an excellent all-round education.

Mrs C J Sunley, Chair
Date: 20 May 2022

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

History

Barnard Castle School is a charitable company limited by guarantee, which owns all of the land, buildings and other assets of the School. It is registered with Companies House (Company Number 6596258) and with the Charity Commission (Charity Number 1125375).

The Governors present their annual report together with the audited financial statements of the Charity for the year 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Governors confirm that they have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. Evidence of our public benefit is detailed throughout the Review of the Year.

Barnard Castle School is an independent day and boarding school in the North of England for boys and girls from the age of 4 to 18. The Governors and the School are always guided by the charitable objectives:

- to inspire pupils in a safe, happy and supportive environment; and
- to provide an educational experience which combines academic rigour with a breadth of extra-curricular opportunities designed to help each child to find their own individual focus and to develop to their fullest potential.

The School opened in September 1883 under the leadership of Headmaster Reverend F.L. Brereton, moving to its present location in 1886. Initially, funding came from three sources: the estate of Benjamin Flounders; funds from St John's Hospital, which was founded in 1229 by John Balliol, Lord of Barnard Castle; and voluntary subscriptions collected from Northumberland, Durham and the North Riding of Yorkshire. In September 1914 Barnard Castle Preparatory School opened with ten boys in Westwick Lodge. In 1924 the School changed its name to Barnard Castle School, and in 1982 the School became co-educational. Barnard Castle School was incorporated in 2008.

History (continued)

The cornerstone of School life continues to be characterised by the following values which were laid down at the School's inception in 1883:

- ***Community***
  Our staff and pupils feel part of something bigger than themselves, not just during their time at School, but for the rest of their lives;
- ***Endeavour***
  The School encourages its pupils to be intellectually curious, to be multi-dimensional and to embrace new challenges as they arise;
- ***Integrity***
  Pupils are helped to develop a robust work ethic, to have consistency and humility in their actions towards other people and to apply a strong moral compass in all that they do;
- ***Compassion***
  Being part of the community requires each individual to care about other people's happiness. By developing a high level of emotional intelligence, each pupil is expected to treat others with kindness and understanding;
- ***Duty***
  The School is committed to imbue its pupils with an understanding that they have a moral obligation to serve others and to seek out opportunities to enrich the wider community with an altruistic and selfless outlook; and
- ***Enjoyment***
  The community aspires to bring a sense of fun and enjoyment in all that it does for and with others. By striving to be the best version of ourselves and by adopting the values above, we aim to enjoy our lives and make ourselves and those around us happy and proud.

Purpose and Aims

The purpose of the School is ***"through creating an inspirational, compassionate and unpretentious environment, we aim to develop young adults with character. They are happy, confident, resilient, intellectually curious, tolerant, driven, and with a foundation of humanity, who are ready and prepared to face, embrace and lead in an ever-changing world."***

This Purpose forms the basis of the Strategic Plan which highlights a set of Key Features that link to a concise set of School and Operational Strategic Aims. These Aims are aligned to the Governance Structure set out below, which makes the responsibility and accountability for the attainment of our Strategic Aims clear and transparent.

The Senior Management Team (SMT) own the School Development Plan, which defines the specific and time-bound objectives and actions required to achieve the Strategic Aims and make regular progress reports to the Board of Governors.

When considering the Purpose, the SMT have identified the following Key Features:

- A Community
- Character Developers
- Fully co-educational Boarding and Day School
- A Broad Entry
- Traditional values in a Contemporary setting

Purpose and Aims (continued)

With these Key Features in mind, the following Strategic Aims were set:

- **Wellbeing** - *We aim to be recognised as the leading school for outstanding pastoral care in the North of England, ensuring the safeguarding and protection of each individual associated with the School, from pupils to employees, and educating everyone in understanding positive mental health.*

- **Character** - *We aim to develop confidence, humility, resilience, tolerance, determination, a strong spiritual and moral compass, altruism and soft/life skills in each of our pupils.*

- **Curiosity** - *We aim to develop young adults who are intellectually curious, possess an appetite for learning, have an independent attitude towards their intellectual development, a thirst for knowledge and are culturally literate; culminating in academic results which maximise potential.*

- **Journey** - *We aim to use our 'whole School' to see genuine development from the age of entry until departure and beyond, in all aspects of life.*

- **Interaction** - *We aim to promote the School in the wider community, raising awareness regionally, nationally and internationally and be the 'school of choice' in the area; for pupil, parent and teacher.*

Underpinning these are the Operational Aims which are devised to ensure the effective running of the School:

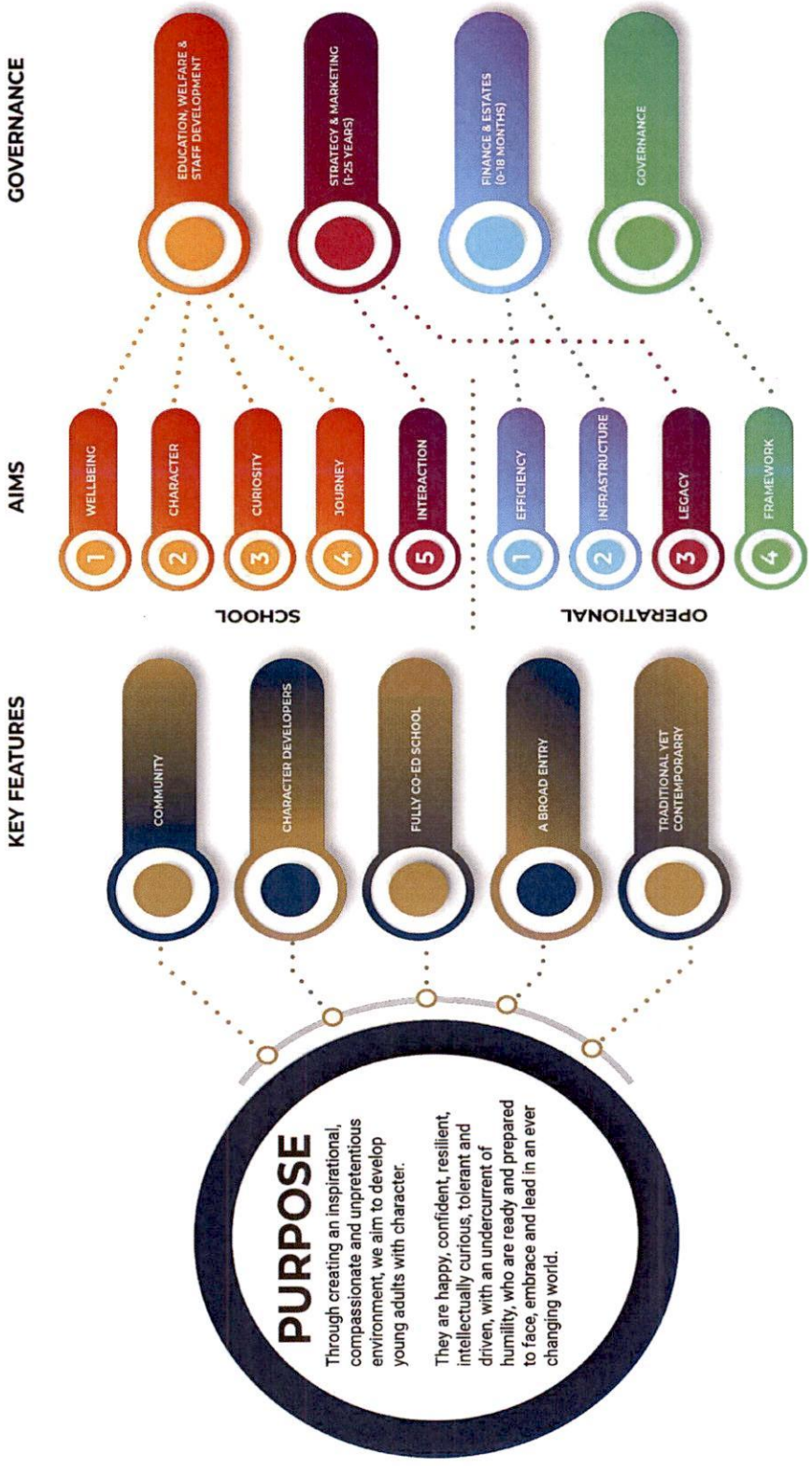
- **Efficiency** - *We aim to ensure the smooth day to day financing and running of the School, with the overall objective of ensuring the School operates within prudent financial parameters.*

- **Infrastructure** - *We aim to ensure the upkeep, safety and appropriateness of the facilities and to ensure that those individuals working at the School are high quality, strongly performing individuals.*

- **Legacy** - *We aim to establish and maintain a strong alumni network; to plan and prepare for the next generations of Barnardians, looking at future capital projects as well as scholarship and bursary funding which will see the School go from strength to strength.*

- **Framework** - *We aim to ensure that the School is compliant with all relevant laws and regulations, and to mitigate risk.*

Governance responsibilities for delivering the School's Strategic Plan



Strategic Report

Review of the Year

The School is committed to safeguarding and promoting the welfare of its pupils and staff and expects all those involved with the School to share this commitment. This undertaking has never been as important as it has been over the last 18 months through the passage of the various waves of the COVID-19 Pandemic. The various wellbeing initiatives and programmes had to be flexed to work alongside significant structural changes which had to be made to allow the pupils as much "normality" as possible. Highlights of the year were:

- The Barney Burrow went online – a listening hub for Prep School children to speak to U6th students regarding any worries or concerns that they may have.
- Parents continued to access Parents' Pastoral Forums albeit in virtual Webinars which deal with relevant issues such as Mental Health and Drugs Awareness.
- The Anti-Bullying Ambassadors and Peer Supporters programmes flourished with pupils taking the lead in assemblies and events.
- Pupils were rewarded for their passion in promoting a positive message of diversity across the School with Pearson Publishing Company selecting the School to be a "Lit in Colour Pioneer" in recognition of its commitment to a diverse curriculum.
- The ISAMS Wellbeing Manager is now firmly established across the whole School.
- Assemblies continue to provide a platform for reinforcing pastoral messages and the Barney ethos and culture. Topics have included Online Safety and the Digital Footprint, Peer Support, Sexual Harassment, the Sarah Everard tragedy, Suicide Awareness and Being Yourself.
- Prep School ran a series of awareness weeks – Mental Health, Wellbeing and Diversity.

At the heart of every education is a healthy staff body who strive to achieve the best for their pupils as a result of an appropriate work/life balance. Where possible, external support was acquired and alterations were made to staff duties to allow them the time, opportunity and resources to perform in this ever-changing world of education.

Boarding

During the year an extensive programme was undertaken which not only enhanced the existing Boarding Houses, and in particular their social spaces, but also involved the creation of additional bed capacity.

The Boarding Houses have remained open continuously to pupils since August 2020 through 5 separate school holidays, allowing international pupils to stay at Barney instead of travelling home through the Pandemic. Twelve international boarders spent their Christmas holidays at School, complete with tree, turkey and presents.

All of this involved a monumental effort on behalf of the Boarding and Support Staff and one member of staff was named as a finalist in the BSA's Boarding Awards' Stephen Wrinkley Award which commends the achievements of an individual who has made a significant contribution to the cause of boarding.

Day Houses

At the start of Michaelmas Term, a marquee was erected as a social space for Year 7-11 pupils allowing them to socialise safely in their breaks and after lessons. The decision was taken to refurbish the Day Houses and transform them into large, open spaces allowing the pupils to socialise safely indoors within their Year Group bubbles during the second half of the term as the weather became colder and darker.

Strategic Report (continued)
Review of the Year (continued)

The School is renowned for the focus it places on character development, and this is a significant strength of the School. Whilst academic success is essential, the development of character and life skills, especially in a world being increasingly dominated by Artificial Intelligence, is of vital importance. The objective is to ensure all pupils are aware of this, and to formulate a structure in which every pupil understands and gains access to a programme which focuses on character development.

Activity Programme and House Activities

The Activity Programme and House Activities are an important part of a Barney education and all pupils throughout the School are encouraged to take part in the excellent array of activities on offer which include CCF, DofE, sport, music, singing, horse riding, art and debating, to name but a few. Participation in these activities is seen to be a core requirement for all pupils allowing them to develop their character and learn new skills. This ethos was unaffected by the Pandemic with the activation in Lent Term of the Learning@Home programme, accompanied by a range of activities specifically designed to be undertaken at home.

House activities continued throughout the year with house points available for every single competition, contributing towards an overall end of term victor for each of the School Houses. An adapted whole School Barney Run took place in Michaelmas Term.

Charity

The School continues to promote and support a number of charitable organisations with the School undertaking a variety of fundraising activities. Our charity partners continue to be grateful for the continued support of the School's pupils and their families and friends. This year has been more challenging for our charitable activities due to the COVID restrictions; however, the pupils have still managed to support the following charities:

- The School's Charity Committee raised over £7,000 for masks to be made in Kenya. This made national news in Kenya.
- The School donated 17 laptops to a Darlington Academy to assist those Year 7 students who were unable to access work because they did not have such a device.
- Years 9/10 and Sixth Form students produced an anthology and artwork as part of the Douglas Pittuck mural restoration in St Mary's parish hall, Barnard Castle.
- Prep School held a French Café morning for Macmillan, provided gifts for Safe Families for Children at Christmas Time and supported a variety of charities, including Red Nose Day.
- £1,000 was raise for the charity WeCare Worldwide, a charity set up by a former pupil which provides veterinary facilities to abandoned dogs in Sri Lanka.
- Donations were made to Young Minds, Mary's Meals, the Royal Agricultural Benevolent Institution, the Alzheimer's Society, Brain Tumour Research, the Woodland Trust, and Comic Relief.

Strategic Report (continued)
Review of the Year (continued)

Combined Cadet Force (CCF)

The School is rightly proud of its CCF programme with a cadet strength of 150 Army and 22 RAF cadets.

The year started with a new School Staff Instructor (SSI) and saw an exceptionally busy Michaelmas Term:

- 56 Year 10 cadets successfully passing their weapon handling tests and drill cadre.
- 58 Year 10 cadets being awarded their half star badges.
- 22 Year 11 cadets being awarded their first star badge for completing their basic cadet syllabus.
- 15 Year 11 cadets attended a "super camp" which was delivered by the Regular Army.
- 12 members of the 6th form gained an insight into officer training and the Officer's Training Corps, which was delivered by the Regular Army.
- 8 senior cadets successfully achieved their instructional technique qualification which gives them the skills required to teach the younger cadets.
- 14 members of L6th successfully completed a Level 2BTEC Qualification in Teamwork and Personal Development in the Community.
- 2 cadets completed a 4-day STEM camp in the half term holidays.
- 2 cadets received the highest award within the CCF, that of Master Cadet.

Despite the re-introduction of home learning at the start of Lent Term, the School continued to train virtually throughout the lockdown – being one of only two schools of the thirty three CCF contingents in Four Brigade, doing so. Cadets continued to progress, successfully completing a number of examinations and gaining promotion. In addition, all cadets were certified as St John's Ambulance KS4 First Aiders. Cadets competed in the Army Cadets Sports Running Competition, took part in the Great Tommy Sleepout camping out in the School grounds to raise awareness of the homelessness of ex-servicemen and women, and completed the March into March, a 10-mile challenge for the veterans' mental health charity, Army Cadets Healthy Minds and Combat Stress.

The most memorable success of the Lent Term, however, must go to three cadets who have been appointed as Her Majesty's Lord Lieutenant's Cadets and whose duties include:

- Meeting members of the Royal Family when they formally visit the County.
- Presenting medals and awards on behalf of the Queen.

Trinity Term welcomed 54 new recruits from Year 9. Cadets represented Four Brigade in the 10km virtual running challenge and took part in the Army Cadet 70km virtual cycle challenge. As part of the Mind, Body and Soul Programme, 50 Year 8's paraded each Tuesday and took part in various tasks with a view to enrolling in the CCF at the end of the year. 38 Cadets attended the 2-day summer camp at Catterick at the end of term.

Finally, for the Queen's Birthday Honours List, a member of Staff was nominated for an Army Commendation and the SSI was nominated for a State honour, in recognition of their exceptional contribution to the CCF during the COVID-19 pandemic.

Duke of Edinburgh Award

Participation in the Duke of Edinburgh programme continues to be very popular with pupils. Despite the restriction on activities due to the Pandemic, a total of 123 active participants were involved in the programme undertaking gold and silver awards. A fast-track training and assessment approach towards the end of the academic year, enabled 49 participants to complete their assessed expedition in June 2021 (8 gold and 41 silver).

Strategic Report (continued)
Review of the Year (continued)

Sport

The School continues to provide pupils with a huge range of sporting opportunities. Again, the Pandemic cut short both the actual time at School and also the number of opportunities for inter-school competitions. Inter-school competitions were swapped for inter-house matches and training continued unabated, ensuring that pupils were ready as and when the restrictions are lifted. However, 2020/21 still provided the following highlights:

- **Cricket**
  - The year has seen phenomenal growth in girls' cricket in both Prep and Senior School
  - 2 U15 players and 1 U14 player represented the County
- **Rugby**
  - Inter-House competitions were held for all age groups including the 6th Form Touch Rugby tournament
  - Jon Pendlebury, England U18 Coach, visited the School and conducted a live lesson
  - An U6th former was selected in the initial England U18 squad and subsequently a L6th player was added to the extended national training squad
  - 7 players represented Newcastle Falcons U18
  - 3 players are currently involved with the Falcons' U16 squad
- **Hockey**
  - The new Sports Graduate is a Welsh international hockey player
  - An U16 player continues to be involved in the England Hockey Performance Pathway
  - 19 players represent the County
- **Netball**
  - The continued partnership with Leeds Rhinos Netball has enabled pupils to access extra coaching
  - A L6th girl was selected for Leeds Rhinos, as well as representing both the North East and Durham County
- **Athletics**
  - A pupil continues to be selected for GB training camps and competes at a national level
- **Equestrian**
  - A pupil was invited to attend an U20 GB training camp.

Societies

Exploring interests beyond the curriculum is important and student-run societies are encouraged and supported by staff where needed. Societies now include MedSoc, Lawsoc, Debating Society, Egalitarian Society, the Oxbridge Corner, MathsSoc, History Society and Economics Society.

A brilliant series of performances at the Debating Matters Public Policy Championship culminated in victory for the School as overall Winner and Best Individual Speaker. It was an excellent series of debates over one week covering a diverse range of topics ranging from the benefits of vaccine passports to whether monuments to controversial figures should be pulled down.

Maths continues to thrive with pupils achieving success with prizes and certificates in the United Kingdom Mathematics Trust (UKMT), and accreditations and internal awards in the Newcastle University Maths Challenge.

Strategic Report (continued)
Review of the Year (continued)

Drama

The Drama department continued to flourish, rehearsing a number of different productions and performing to audiences whenever restrictions allowed.

All Prep School pupils performed in the Nativity, the Christingle and Carol Services and the House Pantomime Drama and all of which were shared in a virtual format due to visitor restrictions.

Michaelmas Term saw the Drama department rehearse for "Nunsense" only to find that the performance had to be cancelled due to COVID restrictions. In the Trinity Term, however, a cast of over 40 rehearsed for and performed in the High School Musical; unfortunately, this was also affected by restrictions. A small cast of 4 performed "Last Quiz Night on Earth" at a charity event.

Music

The Music department continued to run a full ensemble programme, with choirs and bands for each year group bubble, switching to an online programme in the Lent Term. As the weather improved in the Trinity Term, concerts often took place outdoors.

In the Michaelmas Term, a professional vocal quintet called Catching Voices, ran workshops with the School choirs, culminating in a Lunchtime Concert. Various ensembles and soloists recorded a Winter Concert for YouTube and a professional video was made of the annual Carol Service for all to appreciate. YouTube productions continued in the Lent Term with pupils organising a "Concert for Kenya" featuring current pupils and Old Barnardians, raising over £400 for the charity.

Two pupils won Best Overall Instrumentalist and Best Overall Singer in both the local and regional Rotary Young Musician of the Year competitions. Another pupil has successfully auditioned for a place at the prestigious Samling Academy for emerging young singers.

Trinity Term saw a 100% pass rate for pupils taking the ABRSM exams and composer Jacob Ewens arranged a piece of music especially for the Junior Choir who duly performed the "Wild Mountain Thyme" at Junior Arts Evening. Prep School continued to hold their immensely popular "Have a Go Concert" virtually. The Term ended with a series of live outdoor concerts ranging from a performance at Ushaw House and Gardens in Durham, to supporting pupils at Sports Day.

The School provides and develops an environment where intellectual curiosity and independence can thrive. IT is now firmly embedded into the life of each member of School, allowing not only for a much greater level of independence and inquisitiveness but also for education to continue irrespective of the Pandemic restrictions placed on the School. Where necessary, students have been encouraged to work outside, trusting them to utilise their time and manage their workload independently.

Public examinations were once again cancelled and replaced with individual assessments of pupils by teachers with a range of supporting evidence. This placed an extraordinary burden on the staff who have had to accommodate this requirement within their normal teaching commitments. The dedication and hard work of both pupils and staff were rewarded with, yet again, another excellent set of results which were not altered in the external moderation process. A 100% pass rate was achieved in all external exams. GCSE's saw a 25% increase in the top two grades and A-levels saw another overall rise in grades with the highest A* percentage to date.

Strategic Report (continued)
Review of the Year (continued)

Central to the aims of the School is the provision of a seamless and coherent journey from Reception through to the end of Sixth Form. Each pupil's "journey" will show how they develop the various aspects of School life - academically, athletically, socially etc. – and allow staff to cater appropriately for each child. This strong sense of cohesion is invaluable as the Prep and Senior School continue to work together to overcome the educational and practical challenges caused by the pandemic.

Although Pandemic restrictions clearly had an impact on the ability of pupils to mix and work with each other, wherever possible, the opportunity was taken to bring the whole school together, albeit often outside in the School grounds, and in year group bubbles. Such opportunities have included:

- a whole school Barney Run.
- all pupils marked Remembrance Day, outside on the playing fields.
- all Senior pupils attended a "Nailing Up" ceremony which was conducted outside.

The School recognises and values the symbiotic relationship it has with the communities of Barnard Castle, Teesdale, County Durham and North Yorkshire. The School aims to make a positive and valued contribution to the wider community, advancing the cause of education and social welfare. To achieve this, the School strives to be recognised locally, nationally and internationally as an outstanding developer of young adults; a trusted partner for the provision of educational, sport and welfare support and resources; a great employer and a good neighbour.

Oxford Economics and Independent School Council Research undertook an assessment which showed that the School's contribution to national GDP in the financial year 2017/18 was £14m, including the provision of an £8m contribution to County Durham's GDP. The analysis also concluded that the total UK Tax payments supported by the School's activities amounted to £4.1m and the saving to the UK taxpayer derived from the School's pupil attendance was £3.7m. The School employs 199 staff in Barnard Castle and it is estimated that the School's activities support about 340 individuals in total. The Governors believe that this assessment remains valid and it is likely that the School's contribution to both the national and local economies has increased as a result of the increase in student numbers.

Transformational Bursaries and Scholarships

The School has long focused on developing young people of character; individuals with the confidence, compassion, creativity and humanity to make a real difference in our ever-changing world. Moreover, providing access to children, regardless of their means, has been a core tenet of the School since 1881, when the first governing document enshrined this principle.

While the School does not have the benefit of a strong financial endowment, the School continues to support a number of pupils through Bursaries and Scholarships. Parents are encouraged to apply for Bursaries, which are awarded based on a fair and rigorous means testing process; the means assessment is revisited each year. As a result, 56 pupils received means-tested assistance with fees this year (equivalent to 33 full places). Financial assistance and educational extension opportunities were also awarded to a number of pupils who successfully gained places on the Scholarship Programme (112 in the current year).

HMC Projects gives students from Central and Eastern Europe an unparalleled opportunity to study for two years in a British School. The School is proud to be a part of this initiative and supports two pupils, one in L6 and one in U6.

The School has continued to support Darlington Borough Council and its Virtual School programme which seeks to maximise the potential of children in difficult circumstances, by providing financially supported places to two such children.

Strategic Report (continued)
Review of the Year (continued)

Admissions & Marketing

The Admissions department has continued to successfully market the School and raise its profile by engaging with both domestic and international partners. This, together with its successful Learning@Home programme, has allowed the School to continue to grow its pupil numbers; this led to a healthy increase in September 2020.

Educational, Sport and Welfare Community Support

A core principle of the School is the belief that it has a duty to support the local community wherever it is realistic to do so. Pandemic restrictions have meant that opportunities to provide such support have been more limited than usual. However, whenever possible, the School has continued to provide facilities and support to a number of different organisations including:

- **Use of the School's playing fields:**
  - various local maintained and independent schools
  - Barnard Castle Hockey Club
  - Barnard Castle Junior Hockey Club
  - Durham Army Cadet Force
  - Tri-Service Cadet Adventure Training Group
  - Bowes Football Club
  - Barnard Castle Rugby Club
  - Durham County Hockey
  - Raby Cricket Club
  - Barnard Castle Cricket Club
  - Barnard Castle Football Club
  - GSK Squash Club
  - Zetland Pony Club

- **Professional development:**
  - Hosting professional development opportunities for teachers and support staff from other schools.
  - Hosting masterclasses and the provision of UCAS advice and interview experience for candidates from local maintained schools.
  - Governors and staff serve on the Governing Bodies of various maintained schools.
  - The School provides a large number of examiners to the main examination boards and one of its Heads of Departments advises Durham University on PGCE applicants.

- **Hosting events:**
  - Teesdale Primary Schools' Cross-country Competition.
  - Activity Weeks open to the whole community.
  - The School's Chaplain is part of the local chapter of clergy. Chapel services are open to everyone and the Christmas Festival of Nine Lessons and Carols is particularly popular with local visitors.

- **Use of the School's facilities:**
  - Duke of Edinburgh's Award local assessors use the School as a meeting place for coordination and planning.
  - "Clique", a local charity, holds its annual fundraising dinner in the School.
  - The Rotary Club use the auditorium for charity lectures.
  - Barnard Castle School Choral Society use the Chapel.
  - The Chapel is available for use by the community and visitors are encouraged on Heritage Open Days.
  - The School makes additional parking available without charge to the Bowes Museum on busy occasions and for special exhibitions. Further, the School is a designated place of safety for the Bowes Museum's collection of art and artefacts.
  - The School's playing fields are used as landing zones for helicopters carrying members of the Royal family and other dignitaries to local engagements.

Strategic Report (continued)

Financial Review

The Pandemic not only had an impact on the day-to-day activities of the School but also on its financial results. Income was adversely affected as international students were unable to access the full boarding experience and restrictions limited the Summer activity programme. In addition, the decision was taken to freeze fees for the entirety of the Academic Year in recognition of the potential economic impact of the Pandemic on parents and other fee-payers. The costs of running a COVID-secure School have been significant but were essential to allow for the continuity of education in a safe environment for the whole School community. The significant investment in the IT infrastructure in 2020 provided the staff with the resources and connectivity to transition from classroom to home learning without interruption in the education. In addition to the day-to-day resource costs required for the protective measures in place for a community of nearly 900, the house/pastoral spaces had to be developed to allow for large bubble groups to socialise.

As a result of the above, the School made an operating loss of £354,609 before pension adjustments (2020: loss of £707,691). Included within these figures was an actuarial gain on investments of £101,243 (2020: loss of £9,668). The Fund Actuary for the Durham County Council Defined Benefit Pension Scheme reported a pension asset as at 31 August 2021, however, the Trustees agreed that it would not be prudent to reflect this in the financial statements and a nil value was reported. The impact of this was the generation of an actuarial gain in the year of £960,000 (2020: loss of £280,000), resulting in an overall net surplus for the year of £605,391 (2020: loss of £987,691).

The net assets of the School at the balance sheet date were £ 8,591,874 (2020: £7,986,483). Fixed asset additions amounted to £ 741,968 in the year. The School applied for CBILS loan funding of £1,850,000 in the year ended 31st August 2020 to support the School as it emerged from the impact of the Pandemic. This funding was received in November 2021.

Reserves Policy

The policy of the School is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in its infrastructure. As at 31 August 2021, the School held fund balances of £8,591,874 comprising £7,801,041 unrestricted funds, £744,958 restricted funds and £45,875 endowment funds.

The Durham County Council Local Government Scheme notional pension fund calculation is impacted by the assumptions made at the end of the financial year and can result in large swings in the valuation. In the short term, the opinion of the Governors is that the calculation has only a limited effect on the School's cash flow, while in the longer term the effects are expected to be sustainable out of the future income and are therefore disregarded for reserve policy purposes. Options which might mitigate the risk continue to be explored.

After making appropriate enquiries the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

Investment Policy

The Governors' investment powers are derived from the powers vested in them under the School's Articles of Association and they have delegated the management of the investment portfolio to Brewin Dolphin and BlackRock. The Governors' policy is to adopt a low to medium risk investment strategy.

Strategic Report (continued)
Financial Review (continued)

Principal Risks and Uncertainties

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to identify and minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects coupled with the judicious use of cash reserves to deal with monthly fluctuations in cash flow.

The Governors and staff continued to take the Pandemic in their stride implementing the procedures and controls necessary to secure the financial stability of the School and to ensure that the education of the pupils continued uninterrupted.

Estate Development

The Governors continue to invest in maintaining and developing the fabric of the School.

During the year, significant investment was made in pastoral and boarding spaces in Senior School.
The Day Houses were reconfigured and refurbished to support the protective measure of year group bubbles required by Government regulation through the course of the year. The investment of £73,756 in this reconfiguration exercise also represents the first phase of the planned pastoral space restructuring.

With the continued growth and demand for boarding, Longfield House underwent a major refurbishment in the Trinity Term at a cost of £221,807. This created an additional 7 beds and significantly upgraded the bedroom and social spaces for the Senior girls' boarding house. The social spaces in Senior boys' boarding were extended to create the additional space required for the increased numbers of boys boarding.

Plans for Future Periods

The School's Strategic Plan, supported by the Development Plan and Capital Plan, set out the plans of the Headmaster and his Senior Management Team for the School over the next 10 years. These documents are regularly reviewed and updated and have the full support of the Governing Body. The Plans have a level of flexibility incorporated within them to allow for such events as the pandemic to ensure that the School operates within agreed, prudent financial parameters.

School's Alumni

The relationship with the School's alumni remains healthy and vibrant; the Old Barnardians' Club is now in its 125th year. Members of the OB community, which boasts over 5,000 members, continued to support each other as the Pandemic made its presence felt.

The OB network plays a significant role in the School's Lecture Series as a rich source of speakers on a wide variety of subjects, encompassing professions, life themes and opportunities.

Circumstances have once again made it very difficult to organise events and physically get together. However, OBs are in contact virtually and are always welcome to visit at any time, and many support the School in different ways, such as through the Lecture Series.

Over the last two financial periods, the School has been fortunate to receive a number of significant legacies from OBs. Such generous legacies allow the School to accelerate its investment program.

Structure, Governance and Management

Independent Schools Inspectorate

The School continues to be regulatory compliant, meeting all necessary standards. There were no inspections in the year.

Governing Document

The governance of the Charity is set out in its governing document, the Memorandum and Articles of Association. The Charity is a limited company, limited by guarantee, as defined by the Companies Act 2006. The most recent amendment to the Articles of Association was made on 13th September 2019 when the current Articles of Association were adopted.

The Governing Body

The School is governed by a Board of Governors (the Board), comprising Foundation Governors who are appointed by a resolution of the Board, and Nominated Governors who are nominated by the relevant organisations listed in the Memorandum and Articles of Association and appointed by a resolution of the Board.

The Board of Governors identifies suitable Foundation candidates with the skills and experience appropriate to the perceived needs of the School and who will contribute to maintaining a balanced, diverse and effective Board. A Governors' skills matrix is maintained to ensure that the core requirement to recruit responsible individuals with an active interest, the time necessary to fulfil their duties and the complementary expertise to add value to the Board, is achieved.

All new Governors are given a copy of the School's Governor Handbook and an induction which includes a full tour of the School and meetings with key management and staff, and a range of students.

Governor training is an ongoing process achieved through internal training and by training programmes and best practice manuals provided by organisations such as AGBIS. All Governors regularly complete a self-review and a general governing body audit is conducted together with an individual skills assessment which provides the opportunity to analyse contribution and to identify any new requirements or additional training needs.

The Governors all give their time freely and accordingly no remuneration was paid in the year. Details of any expenses and related party transactions are disclosed in note 29 to the Accounts.

Structure, Governance and Management (continued)

Organisational Management

The Board determines the general policy and strategic direction of the School in close collaboration with the Headmaster and his Senior Management Team who are responsible for its implementation and administration throughout the Senior and Prep schools. The day-to day management of the School, therefore, is delegated to the Headmaster, who undertakes the key leadership role overseeing educational, pastoral and administrative functions, supported by his Senior Management Team.

The full Board of Governors meets formally three times a year with the Headmaster and his Senior Management Team in attendance. The purpose of the meetings is to determine, agree and ensure effective implementation of the strategic direction, general policies and procedures and financial oversight of the School. To facilitate this process and to ensure optimal output, four committees have been established, each of which meets at least once a term. The members of the committees are selected for their specific relevant expertise and are allocated individual areas of responsibility. The four committees are as follows:

- Finance & Estates (Inc. Risk and Audit)
- Education, Welfare & Staff Development
- Strategy, Marketing & Development
- Governance

The Terms of Reference of each committee are reviewed annually by the full Board.

The Senior Management Team provide each respective Governor sub-committee with at least termly reports. Each committee reviews and monitors these reports to measure performance and identify trends with regard to – as is appropriate to each committee - academic performance, pastoral care, marketing and development, historic and future financial performance.

The Headmaster oversees the recruitment and management of all educational staff, whilst, under delegated authority, the Bursar oversees the recruitment and management of administrative and non-teaching support staff.

Risk Management

The Governors have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against the key risks faced by the School. The School maintains an up-to date register of the main areas of risk to the ongoing operations of the School. Risks are categorised as Governance and Strategic, Operational, Financial and External.

As identified within this Report, the response of the School to the recent pandemic, has provided a level of assurance that the approach taken to risk management is both sound and effective.

Pay Policy for Senior Staff

The remuneration of the Headmaster is set by the Chairman and Vice-Chairs of the Board. Senior management salaries are set by the Headmaster and reviewed by the Finance & Estates Committee using a diverse set of criteria including, inter alia, benchmark reports provided by sector associations such as AGBIS, IAPS and the ISC, together with those of respected consultants within the sector.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Clive Owen LLP, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the Board of Governors on 20 May 2022 and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

The Governors (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Governors' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the Charity website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

In so far as the Governors are aware:

- there is no relevant audit information of which the charity auditor are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the Board of Governors on 20 May 2022 and signed on its behalf by:

Mrs C J Sunley
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL

Opinion

We have audited the financial statements of Barnard Castle School (the 'Charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Charity affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Other information

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

In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Our responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of Governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Use of our report

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 20 May 2022

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	3	114,838	-	-	114,838	115,493
Charitable activities:	6					
School fees		10,341,461	-	-	10,341,461	9,743,036
Other income		60,087	-	-	60,087	24,809
Cost of providing school buses		(111,090)	-	-	(111,090)	(18,719)
Remissions		(1,232,081)	(14,202)	-	(1,246,283)	(1,887,651)
Other trading activities	4	85,040	-	-	85,040	2,369
Investments	5	1,544	12,815	-	14,359	12,770
Government grants	7	34,552	-	-	34,552	487,482
Total		9,294,351	(1,387)	-	9,292,964	8,479,589
Expenditure on:						
Raising funds	8	85,751	3,969	-	89,720	4,029
Charitable activities:						
Welfare		787,397	-	-	787,397	720,571
Premises		2,490,955	-	-	2,490,955	2,159,080
Teaching		5,543,638	-	-	5,543,638	5,408,564
Other charitable activities		831,759	5,347	-	837,106	885,368
Total		9,739,500	9,316	-	9,748,816	9,177,612
Net expenditure before net gains/(losses) on investments		(445,149)	(10,703)	-	(455,852)	(698,023)
Net gains/(losses) on investments		-	101,243	-	101,243	(9,668)
Net income/ (expenditure)		(445,149)	90,540	-	(354,609)	(707,691)
Transfers between funds	23	14,202	(14,202)	-	-	-
Net movement in funds before other recognised gains/(losses)		(430,947)	76,338	-	(354,609)	(707,691)
Other recognised gains/(losses):						

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Actuarial gains/(losses) on defined benefit pension scheme	28	960,000	-	-	960,000	(280,000)
Net movement in funds		529,053	76,338	-	605,391	(987,691)
Reconciliation of funds:						
Total funds brought forward		7,271,988	668,620	45,875	7,986,483	8,974,174
Net movement in funds		529,053	76,338	-	605,391	(987,691)
Total funds carried forward		7,801,041	744,958	45,875	8,591,874	7,986,483

The notes on pages 29 to 54 form part of these financial statements.

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)
REGISTERED NUMBER: 06596258 (England and Wales)

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	13		7,957		690
Tangible assets	14		10,262,525		10,306,653
Investments	15		638,493		530,786
			10,908,975		10,838,129
Current assets					
Stocks	16	70,268		81,385	
Debtors	17	586,357		532,612	
Cash at bank and in hand		1,819,912		1,031,353	
		2,476,537		1,645,350	
Creditors: amounts falling due within one year	18	(2,420,361)		(2,832,223)	
Net current assets / liabilites			56,176		(1,186,873)
Total assets less current liabilities			10,965,151		9,651,256
Creditors: amounts falling due after more than one year	19		(2,373,277)		(724,773)
Net assets excluding pension asset / liability			8,591,874		8,926,483
Defined benefit pension scheme asset / liability	28		-		(940,000)
Total net assets			8,591,874		7,986,483
Charity funds					
Endowment funds	23		45,875		45,875
Restricted funds	23		744,958		668,620
Unrestricted funds	23		7,801,041		7,271,988
Total funds			8,591,874		7,986,483

The financial statements were approved and authorised for issue by the Governors on 20 May 2022 and signed on their behalf by:

Mrs C J Sunley
Chair

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	25	(165,383)	1,142,047
Cash flows from investing activities			
Proceeds from the disposal of tangible fixed assets		621	-
Purchase of intangible assets		(8,800)	-
Purchase of tangible fixed assets		(741,968)	(640,852)
Proceeds from sale of investments		98,473	51,134
Purchase of investments		(104,937)	(52,694)
Dividend income		12,815	5,828
Interest received		1,544	6,942
Net cash used in investing activities		(742,252)	(629,642)
Cash flows from financing activities			
Cash inflows from new borrowing		1,850,000	-
Loan repayments in year		(49,226)	(49,381)
Capital repayments in year		(104,580)	(52,622)
Net cash provided by/(used in) financing activities		1,696,194	(102,003)
Change in cash and cash equivalents in the year		788,559	410,402
Cash and cash equivalents at the beginning of the year		1,031,353	620,951
Cash and cash equivalents at the end of the year	26	1,819,912	1,031,353

The notes on pages 29 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006. The financial statements have been prepared under the historial cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

There were no material departures from the standards.

Barnard Castle School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The financial statements are reported in £ sterling.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred in directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

1. Accounting policies (continued)

1.3 Expenditure (continued)

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.5 Tangible fixed assets and depreciation

No depreciation is provided on freehold land.

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 5% straight line
Motor vehicles	- 25% reducing balance and 25% straight line
Fixtures and fittings	- 10 - 25% straight line
Building alterations	- 5 - 25% straight line
Computer equipment	- 20 - 25% straight line

1. Accounting policies (continued)

1.6 Intangible assets and amortisation

Intangible assets are initially recognised at cost and subsequently stated at cost net of amortisation and any provision for impairment. Intangible assets are being amortised over their expected useful lives on the following straight line basis:

Computer Software	- 25 %

1.7 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

1.8 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent the permanent funds of the School. All income generated by the funds are unrestricted and used for the purpose of the School.

Investment income, gains and losses are allocated to the appropriate fund.

1. **Accounting policies (continued)**

1.10 Pensions

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Charity in separate governor administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The acturary has undertaken a valuation of the LGPS as at 31 August 2021 which shows an asset of £370,000. In accordance with 28.22 of FRS102 as the Charity will not benefit from either reduced contribution rates in the future nor a refund from the scheme the asset is not recognised within these financial statements.

1.11 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.12 Provisions

Provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, for which it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1. Accounting policies (continued)

1.14 Financial instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.
Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19 . Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.15 Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

2. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined by the scheme actuaries using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Bad debt provision - There are two provisions included within the financial statements; full provision and partial provision. The full provision provides for 100% of balances that are not considered to be recoverable. The partial provision provides for 25% of balances that are doubtful debts. The total bad debt provision within the financial statements is £150,915.

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	91,948	91,948	109,993
Legacies	22,890	22,890	5,500
Total 2021	114,838	114,838	115,493
Total 2020	115,493	115,493	

4. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings and event income	85,040	85,040	2,369
Total 2021	85,040	85,040	2,369
Total 2020	2,369	2,369	

5. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income from listed investments	-	12,815	12,815	5,828
Deposit account interest	1,544	-	1,544	6,942
Total 2021	1,544	12,815	14,359	12,770
Total 2020	6,942	5,828	12,770	

6. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
School fees	10,341,461	-	10,341,461	9,743,036
Other Income	60,087	-	60,087	24,809
Cost of providing school buses	(111,090)	-	(111,090)	(18,719)
Remissions	(1,232,081)	(14,202)	(1,246,283)	(1,887,651)
	9,058,377	(14,202)	9,044,175	7,861,475
Total 2020	7,874,493	(13,018)	7,861,475	

Included within Remissions are remote learning discounts on day fees that were offered to all parents as a result of the Covid-19 pandemic of £34,334 (2020: £935,696).

7. Government grants

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus Job Retention Scheme grants	34,552	34,552	487,482
Total 2020	487,482	487,482	

8. Raising funds

Other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings and event costs	85,751	-	85,751	530
Investment management fees	-	3,969	3,969	3,499
	85,751	3,969	89,720	4,029
Total 2020	530	3,499	4,029	

9. Analysis of charitable expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Teaching	5,459,776	83,862	5,543,638	5,408,564
Premises	1,703,947	787,008	2,490,955	2,159,080
Welfare	787,397	-	787,397	720,571
Other	785,377	51,729	837,106	885,368
	8,736,497	922,599	9,659,096	9,173,583
Total 2020	8,300,241	873,342	9,173,583	

In 2021 of the total charitable expenditure of £9,659,096 (2020: £9,173,583), £9,653,749 (2020: £9,168,236) was to unrestricted funds, £5,347 (2020: £5,347) was to restricted funds and £- (2020: £-) was to endowment funds.

9. Analysis of charitable expenditure by activities (continued)

Analysis of direct costs

	Teaching 2021 £	Premises 2021 £	Welfare 2021 £	Other 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	-	-	-	10,000	10,000	10,000
Staff costs	5,119,283	750,335	470,404	497,108	6,837,130	6,629,506
Teaching resources	143,096	-	-	-	143,096	177,540
Premises and grounds	-	88,469	-	-	88,469	67,808
Rates	-	68,644	-	-	68,644	67,264
Insurance	17,320	76,046	-	-	93,366	89,026
Light, heat and water	-	226,086	-	-	226,086	227,748
Other teaching costs	148,892	-	-	-	148,892	132,281
Travel	31,185	-	50	-	31,235	73,065
Catering	-	-	306,036	-	306,036	249,019
Laundry	-	-	2,018	-	2,018	7,430
Nursing	-	-	8,889	-	8,889	7,861
Cleaning	-	194,762	-	-	194,762	78,539
Maintenance	-	299,605	-	-	299,605	199,791
Marketing and development	-	-	-	73,430	73,430	78,306
IT costs	-	-	-	86,176	86,176	83,750
Administration	-	-	-	78,278	78,278	81,464
Recruitment	-	-	-	18,284	18,284	14,867
Bad debts	-	-	-	22,101	22,101	24,976
	5,459,776	1,703,947	787,397	785,377	8,736,497	8,300,241
Total 2020	5,339,017	1,415,158	720,571	825,495	8,300,241	

9. Analysis of charitable expenditure by activities (continued)

Analysis of support costs

	Governance 2021 £	Premises 2021 £	Finance 2021 £	Total funds 2021 £	Total funds 2020 £
Depreciation and amortisation	-	741,840	-	741,840	711,932
Loss/(profit) on disposal of assets	-	45,168	-	45,168	31,990
Bank charges	-	-	12,966	12,966	25,679
Bank interest	-	-	7,672	7,672	7,323
Leasing interest	-	-	23,851	23,851	26,871
Interest paid to HMRC	-	-	7,240	7,240	-
Governance costs	83,862	-	-	83,862	69,547
	83,862	787,008	51,729	922,599	873,342
Total 2020	69,547	743,922	59,873	873,342	

10. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	11,000	10,500
Depreciation - owned assets	690,641	658,441
Depreciation - assets on finance lease	49,666	49,666
Deficit on disposal of fixed assets	45,168	31,990
Computer software amortisation	1,533	3,825
Operating lease payments	75,923	76,412

11. Governors' remuneration and benefits

During the year, no Governor received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Governors (2020 - £1,328 to 3 Governors). Expenses reimbursed in the prior year relate to travel costs incurred.

12. Staff costs

	2021 £	2020 £
Wages and salaries	5,295,948	5,142,832
Social security costs	503,888	477,401
Other pension costs	1,037,294	1,009,273
	6,837,130	6,629,506

Included in other pension costs is a credit of £20,000 (2020: £70,000 credit) relating to the pension deficit actuarial adjustment.

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

	2021 No.	2020 No.
Teaching	108	117
Support	17	18
Welfare	29	28
Premises	37	37
	191	200

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1

Pension contributions of £60,529 (2020: £44,674) were made to defined benefit and contribution schemes on behalf of these employees.

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the School was £633,779 (2020: £662,643).

13. Intangible assets

	Computer software £
Cost	
At 1 September 2020	35,334
Additions	8,800
At 31 August 2021	44,134
Amortisation	
At 1 September 2020	34,644
Charge for the year	1,533
At 31 August 2021	36,177
Net book value	
At 31 August 2021	7,957
At 31 August 2020	690

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2020	14,119,100	1,015,714	2,178,940	18,621	757,799	18,090,174
Additions	580,671	-	112,832	-	48,465	741,968
Disposals	(488,359)	-	(435,731)	-	-	(924,090)
At 31 August 2021	14,211,412	1,015,714	1,856,041	18,621	806,264	17,908,052
Depreciation						
At 1 September 2020	5,650,778	183,658	1,705,397	7,401	236,287	7,783,521
Charge for the year	414,704	50,786	119,888	4,655	150,274	740,307
On disposals	(442,570)	-	(435,731)	-	-	(878,301)
At 31 August 2021	5,622,912	234,444	1,389,554	12,056	386,561	7,645,527
Net book value						
At 31 August 2021	8,588,500	781,270	466,487	6,565	419,703	10,262,525
At 31 August 2020	8,468,322	832,056	473,543	11,220	521,512	10,306,653

Included in cost of freehold property is freehold land of £55,240 (2020: £55,240) which is not depreciated.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery 2021 £	Plant and machinery 2020 £
Cost		
At 1 September	993,321	993,321
Additions	-	-
	993,321	993,321
Depreciation		
At 1 September	181,960	132,294
Charge for year	49,666	49,666
	231,626	181,960
Net book value		
At 31 August	761,695	811,361

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2020	530,786
Additions	104,937
Disposals	(98,473)
Revaluations	101,243
At 31 August 2021	638,493
Net book value	
At 31 August 2021	638,493
At 31 August 2020	530,786

16. Stocks

	2021 £	2020 £
Stocks	70,268	81,385

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	148,530	170,732
Other debtors	58	1,613
Prepayments and accrued income	437,769	360,267
	586,357	532,612

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts (see note 19)	114,036	49,124
Trade creditors	455,355	715,327
Other taxation and social security	248,066	594,584
Finance lease (see note 20)	122,829	100,983
Other creditors	151,772	227,669
Accruals and deferred income	1,328,303	1,144,536
	2,420,361	2,832,223

	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	1,075,026	1,313,752
Resources deferred during the year	1,282,439	1,075,026
Amounts released from previous periods	(1,075,026)	(1,313,752)
	1,282,439	1,075,026

Deferred income at the balance sheet date is in relation to monies received for school fees and courses in 2021 and beyond.

19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans (see note 20)	1,895,931	160,069
Finance lease (see note 21)	243,663	370,089
Other creditors	233,683	194,615
	2,373,277	724,773

20. Loans

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Loans	114,036	49,124
Amounts falling between one and two years:		
Loans - 1-2 years	146,492	49,124
Amounts falling due between two and five years:		
Loans - 2-5 years	353,824	110,945
Amounts falling due in more than five years:		
Repayable by instalments:		
Loans more 5 years	1,395,615	-

The LIBOR bank loan is repayable over a period of 14 years on a quarterly basis with interest charged at 2.4% above LIBOR. The remaining term of this loan is 3 years and 3 months. In December 2021 on the cessation of LIBOR, the loan transitioned to SONIA interest rates.

The Coronavirus Business Interruption Loans received in November 2020 are repayable over a period of 5 years. The first loan is repayable on a monthly basis starting 13 months after drawdown with interest charged at 2.59%. The second loan can be repaid without penalty at any time within the 5 year period with interest charged at 2.66%. The remaining term on these loans is 5 years and 6 months.

21. Leasing agreements

	Finance lease 2020 £	2020 £
Net obligations repayable:		
Within one year	122,829	100,983
Between one and five years	243,663	370,089
In more than five years	-	-
	366,492	471,072

The finance lease relates to the installation and purchase of a Biomass district heating system. The term of the lease is 7 years. The biomass system is accredited by the OFGEM Non Domestic Renewable Heat Incentive Scheme.

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	88,071	57,097
Between one and five years	107,028	67,581
	195,099	124,678

22. Secured debts

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	2,009,967	209,193
Finance leases	366,492	471,072
	2,376,459	680,265

The LIBOR loan is secured by way of a legal mortgage and fixed charge over the School's Land.

The Coronavirus Business Interruption Loans are secured by way of a legal charge and debenture over the School land and buildings excluding the 'third' field.

The finance lease contract is secured over the Biomass Boiler System to which it relates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Revenue reserve	6,671,988	9,294,351	(9,739,500)	14,202	960,000	7,201,041
Designated Funds	600,000	-	-	-	-	600,000
	7,271,988	9,294,351	(9,739,500)	14,202	960,000	7,801,041
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	479,328	(1,387)	(3,969)	-	101,243	575,215
Hearnshaw Legacy	99,986	-	-	(14,202)	-	85,784
Science Centre Donation	89,306	-	(5,347)	-	-	83,959
	668,620	(1,387)	(9,316)	(14,202)	101,243	744,958
Total of funds	7,986,483	9,292,964	(9,748,816)	-	1,061,243	8,591,874

23. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Revenue reserve	7,320,957	8,486,779	(9,168,766)	313,018	(280,000)	6,671,988
Designated Funds	900,000	-	-	(300,000)	-	600,000
	8,220,957	8,486,779	(9,168,766)	13,018	(280,000)	7,271,988
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	499,685	(7,190)	(3,499)	-	(9,668)	479,328
Hearnshaw Legacy	113,004	-	-	(13,018)	-	99,986
Science Centre Donation	94,653	-	(5,347)	-	-	89,306
	707,342	(7,190)	(8,846)	(13,018)	(9,668)	668,620
Total of funds	8,974,174	8,479,589	(9,177,612)	-	(289,668)	7,986,483

Designated Funds contain legacies received by the School which will be used to invest in capital projects.

The Foundation Endowment was formed when the School was established. This is considered to be an endowed fund which is held in the form of land.

The Barnard Castle School Prize & Scholarship Fund is used for funding scholarships and the purchase of prizes.

The Hearnshaw Legacy was a legacy received for the payment of a scholarship for an A Level science place.

The Science Centre fund was initially given to invest in science capital projects. However an opportunity arose in the previous year for two projects, the sports hall refurbishment and creation of the music performance space. The donor was approached and gave his permission for the money to be used in this manner. Depreciation relating to these assets is allocated to the fund annually.

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,137,603	79,047	45,875	10,262,525
Intangible fixed assets	7,957	-	-	7,957
Fixed asset investments	-	638,493	-	638,493
Current assets	2,449,119	27,418	-	2,476,537
Creditors due within one year	(2,420,361)	-	-	(2,420,361)
Creditors due in more than one year	(2,373,277)	-	-	(2,373,277)
Total	7,801,041	744,958	45,875	8,591,874

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	10,176,384	84,394	45,875	10,306,653
Intangible fixed assets	690	-	-	690
Fixed asset investments	-	530,786	-	530,786
Current assets	1,591,910	53,440	-	1,645,350
Creditors due within one year	(2,832,223)	-	-	(2,832,223)
Creditors due in more than one year	(724,773)	-	-	(724,773)
Provisions for liabilities and charges	(940,000)	-	-	(940,000)
Total	7,271,988	668,620	45,875	7,986,483

25. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(354,609)	(707,691)
Adjustments for:		
Depreciation charges	740,307	708,107
Amortisation charges	1,533	3,825
Gains/(losses) on investments	(101,243)	9,668
Dividends, interests and rents from investments	(1,544)	(6,942)
Loss on the sale of fixed assets	45,168	31,990
Decrease/(increase) in stocks	11,117	(12,437)
Decrease/(increase) in debtors	(53,745)	844,349
Increase/(decrease) in creditors	(459,552)	337,006
Dividend income	(12,815)	(5,828)
Pension Liability Adjustment	20,000	(60,000)
Net cash (used in) / provided by operating activities	(165,383)	1,142,047

26. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	1,819,912	1,031,353
Total cash and cash equivalents	1,819,912	1,031,353

27. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	1,031,353	788,559	1,819,912
Debt due within 1 year	(49,124)	(64,912)	(114,036)
Debt due after 1 year	(160,069)	(1,735,862)	(1,895,931)
Finance leases	(471,072)	104,580	(366,492)
	351,088	(907,635)	(556,547)

28. Pension commitments

The Charity's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are multi-employer defined benefit schemes.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in schools. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £825,077 (2020: £791,876).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with assets held in separate government-administered funds. The total employer's contributions for the year ended 31 August 2021 totalled £201,172 (2020: £210,843).

28. Pension commitments (continued)

The actuary has undertaken a valuation of the LGPS as at 31 August 2021 which shows an asset of £370,000. In accordance with 28.22 of FRS102 as the Charity will not benefit from either reduced contribution rates in the future nor a refund from the scheme the asset is not recognised within these financial statements.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2021 %	At 31 August 2020 %
Discount rate	1.7	1.6
Future salary increases	3.7	3.4
Future pension increases	2.7	2.4
CPI inflation	2.7	2.4
Pension accounts revaluation rate	2.7	2.4

	At 31 August 2021 Years	At 31 August 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	22.3	22.2
- at 65 for a male aged 45 now	23.3	23.2
- for a female aged 65 now	24.3	24.2
- at 65 for a female aged 45 now	25.8	25.7

The Charity's share of the assets in the scheme was:

	At 31 August 2021 £	At 31 August 2020 £
Equities	5,830,000	4,290,000
Property	640,000	620,000
Government bonds	1,590,000	2,070,000
Corporate bonds	1,780,000	1,270,000
Cash	450,000	420,000
Total fair value of assets	10,290,000	8,670,000

The actual return on scheme assets was £1,720,000 (2020 - £150,000).

28. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	170,000	170,000
Interest income	(140,000)	(150,000)
Interest cost	150,000	160,000
Total amount recognised in the Statement of Financial Activities	180,000	180,000

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	9,610,000	9,200,000
Interest cost	150,000	160,000
Contributions by scheme participants	20,000	20,000
Actuarial losses	250,000	280,000
Benefits paid	(280,000)	(220,000)
Current service cost	170,000	170,000
Closing defined benefit obligation	9,920,000	9,610,000

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	8,670,000	8,480,000
Expected return on assets	140,000	150,000
Actuarial gains	1,210,000	-
Contributions by employer	160,000	240,000
Contributions by scheme participants	20,000	20,000
Benefits paid	(280,000)	(220,000)
Closing fair value of scheme assets	9,920,000	8,670,000

29. Related party transactions

P D A Mothersill is a Trustee of The Bowes Museum. During the year purchases of £nil (2020: £191) were made for Museum visits and workshops, no amounts remain outstanding in trade creditors.

D C Osborne is a Director of Roman Ltd. During the year purchases of £1,600 (2020: £3,884) were made for Covid-19 safety screens. Balance outstanding in trade creditors at year end was £nil (2020: £3,884).

N P Hodges is a Director of The Witham Hall Ltd. During the year purchases of £nil (2020: £2,478) were made for workshops. Balance outstanding in trade creditors at year end was £nil (2020: £570).

30. Company limited by guarantee

The School is a company limited by guarantee. The members of the School are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.

BARNARD CASTLE SCHOOL

England & Wales - Charity number 1125375

Accounts

Registered company number: 06596258 (England and Wales)
Registered charity number: 1125375

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

Governors

Mr P D A Mothersill, Chair
Mrs C J Sunley, Vice Chair
Dr J R Elphick, Vice Chair
Ms S A A Ali (appointed 31 March 2021)
Mr I M Allison
Mr N J Bliss
Mrs R Dent (resigned 5 December 2019)
Mr N P Hodges, Old Barnardians Club[1]
Mr J H Hunter
Mr P A Kelsall
Mr R I Moffatt
Ms C M Newnam
Mr D C Osborne
Mr D S Penny
Mr E R Rendall
Mr G M Richardson, Durham County Council[1]
Mr D F Starr, Durham University[1]
Dr N Thorpe, Newcastle University[1]
Ms D Vinsome

[1] Nominated Governors

Company registered number

06596258 (England and Wales)

Charity registered number

1125375

Registered office

Newgate
Barnard Castle
County Durham
DL12 8UN

Company secretary

Mrs S M Metcalf

The Headmaster

Mr A C Jackson

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

NatWest Bank Plc
29 Newgate Street
Bishop Auckland
County Durham
DL14 7ET

Investment Advisers

BlackRock Fund Managers Limited
12 Throgmorton Avenue
London
EC2N 2DL

Brewin Dolphin
10 Wellington Place
Leeds
LS1 4AN

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

This academic year will be remembered for not only being one of the strangest years in the history of the School but also the year when the School and its community displayed extraordinary resilience and character in the face of unprecedented obstacles. The seamless manner in which the School was able to switch over to virtual learning at home was testament to the professional preparation and willing dedication of the staff in combination with a very supportive parent body.

The year started with the completion of the Auditorium with the installation of innovative tiered seating, providing a superb setting for a 3-night performance by Senior School of "One Man, Two Guvnors".

However, in early 2020, normality came to an abrupt end and the pandemic entered our lives, culminating in our pupils physically leaving the School on Friday 20th March and then returning to their studies on a virtual basis the following Monday morning. In very short order, the teaching staff were required not only to adapt to being removed from their classrooms and their pupils, but also had to modify the manner in which they taught, ensuring that their pupils had all of the resources that they needed to fully engage.

Term times were changed, day spaces re-organised, years integrated and PPE established throughout the School in line with Government direction. Virtual events and clubs were run so that the pupils could enjoy each other's company whilst keeping active. The response from pupils was overwhelming as evidenced by their sending in numerous video clips and photos of themselves in action at every opportunity. With the absence of exams, bespoke courses were designed to keep Years 11 and 13 engaged, easing them into the next phase of their lives. Their diligence was ultimately rewarded with an excellent set of results.

Never had such reliance been placed on the IT infrastructure of the School and the opportunity was seized in the Summer to completely overhaul this area with an investment of £445,415 which allowed for the replacement of the server and the network, the purchase of 59 interactive panels for all of the classrooms, 82 Microsoft Surface devices for the staff and pupils and an upgrade of the WiFi capability, this investment was funded by a generous legacy from an Old Barnardian. With the benefit of hindsight, this decision has served us well as we headed into a further lockdown and the associated uncertainty as to when we will be able to return on site to provide our normal fully rounded education programme.

Throughout the lock down period, weekly meetings with Governors were organised to support the Headmaster and his staff, providing assistance and good counsel where needed.

Finally, I am pleased to report that the direction and development of the School continues unabated, albeit with caution as we steer our way carefully through and out of the pandemic.

Mrs C J Sunley, Vice Chair
Date:

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Introduction

The Governors, who are also directors and trustees of the Charity, present their Annual Report and audited Financial Statements for the year ended 31 August 2020. The Governors confirm that the Annual Report and Financial Statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended by Update Bulletin 2 (effective 1 January 2019).

The Governors confirm that they have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. Evidence of our public benefit is detailed throughout the Review of the Year.

Barnard Castle School is an independent day and boarding school in the North of England for boys and girls from the age of 4 to 18. The Governors and the School are always guided by the following objectives:

- to inspire pupils in a safe, happy and supportive environment; and
- to provide an educational experience which combines academic rigour with a breadth of extra-curricular opportunities designed to help each child to find their own individual focus and to develop to their fullest potential.

The School opened in September 1883 under the leadership of Headmaster Reverend F.L. Brereton, moving to its present location in 1886. Initially, funding came from three sources: the estate of Benjamin Flounders; funds from St John's Hospital, which was founded in 1229 by John Balliol, Lord of Barnard Castle; and voluntary subscriptions collected from Northumberland, Durham and the North Riding of Yorkshire. In September 1914 Barnard Castle Preparatory School opened with ten boys in Westwick Lodge. In 1924 the School changed its name to Barnard Castle School, and in 1982 the School became co-educational. Barnard Castle School was incorporated in 2008.

The cornerstone of School life continues to be characterised by the following values which were laid down at the School's inception in 1883:

- ***Community***
  Our staff and pupils feel part of something bigger than themselves, not just during their time at School, but for the rest of their lives;
- ***Endeavour***
  The School encourages its pupils to be intellectually curious, to be multi-dimensional and to embrace new challenges as they arise;
- ***Integrity***
  Pupils are helped to develop a robust work ethic, to have consistency and humility in their actions towards other people and to apply a strong moral compass in all that they do;
- ***Compassion***
  Being part of the community requires each individual to care about other people's happiness. By developing high level emotional intelligence, each pupil is expected to treat others with kindness and understanding;
- ***Duty***
  The School is committed to imbue its pupils with an understanding that they have a moral obligation to serve others and to seek out opportunities to enrich the wider community with an altruistic and selfless outlook; and
- ***Enjoyment***
  The community aspires to bring a sense of fun and enjoyment in all that it does for and with others. By striving to be the best version of ourselves and by adopting the values above, we aim to enjoy our lives and make ourselves and those around us happy and proud.

2020 became the year of two halves. In the third week of March, day and boarding pupils alike, physically left the School on the Friday evening and returned virtually on the Monday morning. At the same time, staff were asked to juggle a new way of pedagogical delivery whilst reacting to their own child care issues and personal circumstances.

The same core principles were applied to the virtual classroom in the form of the Barney Learning@Home programme, which ran for the rest of the year, providing high quality education regardless of pupils' location. Parents and pupils were supported through this time with a range of high-quality literature and advice.

Accordingly, the programme was split into two parts:

- The Academic curriculum: the teaching of the curriculum, in line with the normal academic requirements of each year group.
- Engagement and Enrichment to provide stimulation, engagement and interaction with others, as well as a sense of community and belonging.

Enrichment opportunities included exercise and wellbeing activities, House competitions, assembly, chapel services and individual LAMDA and music lessons.

Inspirational bespoke programmes were designed where needed:

- Preparing for Sixth Form was a 7-week programme which provided the Year 11 pupils with an opportunity to explore and discuss their A level selections allowing them to maximise their time in the Sixth Form.
- Life Beyond Barney was a 5-day programme open to all Year 13 students and was aimed at preparing them for the next stage in their lives and better equipping them for the uncertainties surrounding the next 18 months.

The School recognised that at a time of prolonged isolation, constant engagement and contact was vital and the programme was underpinned with continued pastoral support providing regular contact between School, children and parents.

Never had such reliance been placed on the IT infrastructure of the School and the opportunity was seized in the Summer to completely overhaul this area with an investment of £445,415 which allowed for the replacement of the server and the network, the purchase of 59 interactive panels for all of the classrooms, 82 Microsoft Surface devices for the staff and pupils and an upgrade of the WiFi.

Purpose and Aims

The purpose of the School is:

"through creating an inspirational, compassionate and unpretentious environment, we aim to develop young adults with character. They are happy, confident, resilient, intellectually curious, tolerant and driven, with an undercurrent of humility, who are ready and prepared to face, embrace and lead in an ever-changing world."

This Purpose forms the basis of the Strategic Plan which highlight's a set of Key Features that link to a concise set of School and Operational Strategic Aims. These Aims are aligned to the Governance Structure as detailed in Figure 1, making the responsibility and accountability clear and transparent.

The Senior Management Team (SMT) own the School Development Plan, which defines the specific and time-bound objectives and actions required to achieve the Strategic Aims and make regular progress reports to the Board of Governors.

When considering the Purpose, the SMT identified the following Key Features:

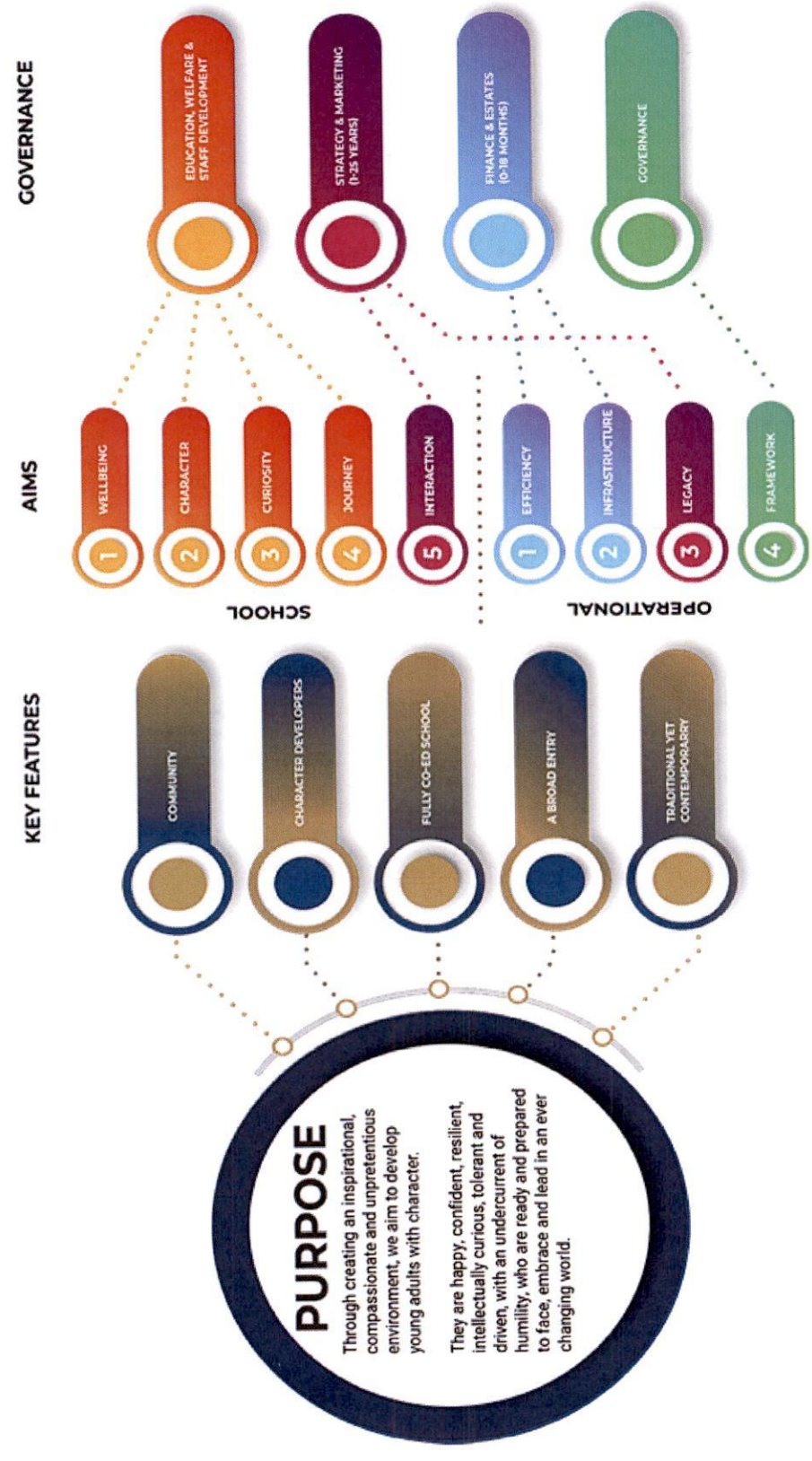
- A Community
- Character Developers
- Fully co-educational Boarding and Day School
- A Broad Entry
- Traditional yet Contemporary

With these Key Features in mind the following Strategic Aims were set:

- **Wellbeing** - *We aim to be recognised as the leading school for outstanding pastoral care in the North of England, ensuring the safeguarding and protection of each individual associated with the School, from pupil to employee and educating everyone in understanding positive mental health.*
- **Character** - *We aim to develop confidence, humility, resilience, tolerance, determination, a strong spiritual and moral compass, altruism and soft/life skills in each of our pupils.*
- **Curiosity** - *We aim to develop young adults who are intellectually curious, possess an appetite for learning, have an independent attitude towards their intellectual development, a thirst for knowledge and are culturally literate; culminating in academic results which maximise potential.*
- **Journey** - *We aim to use our 'whole School' to see genuine development from the age of entry until departure and beyond, in all aspects of life.*
- **Interaction** - *We aim to promote the School in the wider community, raising awareness regionally, nationally and internationally and be the 'school of choice' in the area; for pupil, parent and teacher.*

Underpinning these are the Operational Aims which look at ensuring the effective running of the School:

- **Efficiency** - *We aim to ensure the smooth day to day financing and running of the School, with the overall objective of ensuring the School operates within prudent financial parameters.*
- **Infrastructure** - *We aim to ensure the upkeep, safety and appropriateness of the facilities and to ensure that those individuals working at the School are high quality, strongly performing individuals.*
- **Legacy** - *We aim to establish and maintain a strong alumni network; to plan and prepare for the next generations of Barnardians, looking at future capital projects as well as scholarship and bursary funding which will see the School go from strength to strength.*
- **Framework** - *We aim to ensure that the School is compliant and to mitigate risk.*


GOVERNANCE
EDUCATION, WELFARE & STAFF DEVELOPMENT
STRATEGY & MARKETING (1-25 YEARS)
FINANCE & ESTATES (0-18 MONTHS)
GOVERNANCE
AIMS
SCHOOL
1 WELLBEING
2 CHARACTER
3 CURIOSITY
4 JOURNEY
5 INTERACTION
OPERATIONAL
1 EFFICIENCY
2 INFRASTRUCTURE
3 LEGACY
4 FRAMEWORK
KEY FEATURES
COMMUNITY
CHARACTER DEVELOPERS
FULLY CO-ED SCHOOL
A BROAD ENTRY
TRADITIONAL YET CONTEMPORARRY
PURPOSE
Through creating an inspirational, compassionate and unpretentious environment, we aim to develop young adults with character.
They are happy, confident, resilient, intellectually curious, tolerant and driven, with an undercurrent of humility, who are ready and prepared to face, embrace and lead in an ever changing world.

Strategic Report

Significant Activities and Achievements

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment.

Highlights of the Pre-COVID year were:

- An ISAMS Wellbeing Manager was implemented into Prep School at the start of the academic year.
- Saturday Morning Parents' Pastoral Forums were introduced dealing with issues such as Mental Health and Drugs Awareness.
- The Diana Award came into Prep and Senior Schools to facilitate training with 80 pupils, who are now Anti-Bullying Ambassadors.
- Pupils continued to demonstrate their passion for promoting a positive message of diversity across the school. Rainbow Laces were worn by all of the sports teams in Michaelmas Term, raising £500 for the charity Stonewall.
- Assemblies continued to be delivered to all pupils on the topic of Online Safety, more relevant now than ever.

Throughout lockdown, the wellbeing provision continued with regular contact between School, children and parents. A shift in the term structure during the Trinity Term allowed the School to reflect on the previous term, listen to feedback from staff, pupils and parents and make any necessary updates to the online provision. Three words underpinned the entire delivery of the programme and they were "engagement, balance and sustainability". This was as much for the staff as it was for the pupils, for if teachers are expected to deliver a quality home learning programme, they need to be listened to and supported, as well as given the time, opportunity and resources to perform.

The School is renowned for the focus it places on character development, and this is a significant strength of the School. Whilst academic success is essential, the development of characteristics and life/soft skills, especially in a world being increasingly dominated by A.I., is of vital importance. The objective is to ensure all pupils are aware of this, and to formulate a structure in which every pupil understands and gains access to a programme which focuses on this development.

Activity Programme

- All pupils throughout the School are encouraged to take part in the excellent array of activities which range from CCF and DofE, to sport, music, singing, horse riding, art and cake decorating to name but a few. Participation in these activities is seen to be a core requirement for all pupils allowing them to develop their character and learn new skills.
- This ethos continued during Learning@Home with activities specifically designed to be undertaken at home ranging from sports challenges to making watering cans out of milk cartons.

House Activities

- House activities continued throughout the year with house points available for every single competition, contributing towards an overall end of term victor for each of the boys' and girls' houses. In short, the pupils were kept very busy, gainfully employed in a vast array of fun, educational, and competitive activities. The pandemic did not interrupt these challenges.

Charity

The School continued to promote and support a number of charitable organisations with a variety of fundraising activities during the School term and are grateful for the continued support of the pupils and their families and friends. This year has been more challenging due to the COVID restrictions; however, the pupils have still managed to support the following charities:

- Harvest Festival cards were designed by the pupils and sent out to people in the community and donations of food were distributed to Teesdale Day Clubs.
- Christmas shoeboxes were collected and donated to Centrepoint.
- Foodbank donations were made to Safe Families for Children
- The School's choir and musicians, once again, staged the annual Christmas Concert in the Bowes Museum to raise funds for the Friends of the Bowes Museum
- Prep School supported Children in Need, Save the Children, Macmillan Nurses and Safe Families for Children.
- Rainbow laces were worn by all of the sports teams raising £500 for the charity Stonewall.
- Pupils staged "Wear a Hat Day" in support of Brain Tumour Research.

In addition, the DT department produced 1,200 PPE masks which were distributed across the region.

Combined Cadet Force (CCF)

CCF continues to go from strength to strength increasing the number of cadets from 134 to 161 cadets (Army 137, RAF 24). Despite the limited school time, the following were achieved:

- Training days included RAF Air Experience Flying Days at RAF Leeming and Weapon Handling Cadre to Senior Leadership Cadre.
- Weekend / field days – Exercise Black Rat challenge, 2 BTEC weekends, Exercise Northern Rate
- 21 L6th completed a BTEC Level 2 Award in Personal Development and Teamwork
- 8 RAF cadets achieved their Bronze and Blue Wings
- Second place overall in the Tri climb competition, winning the U17s and U15s categories.
- Overall winners in the Surtees Shield (indoor shooting).

Duke of Edinburgh Award

Participation in the Duke of Edinburgh continues to be very popular with pupils and despite the restrictions on expeditions due to the pandemic, the following awards were completed: Gold – 7, Silver – 14. Gold and Silver Certificates of Achievement (awarded due to restrictions) 1 and 4 respectively.

Sport

The School continues to provide pupils with a huge range of sporting opportunities. Again, the pandemic cut short the actual time at School, however, 2019/20 included the following highlights:

- Orienteering
  - U11 teams won the Cluster Orienteering at Polam Hall

- Swimming
  - U11 girls won the Cluster Gala and U10 boys were 1st in their section

- Rugby
  - Ex-England international rugby player Lee Dickson was welcomed as the new Master in Charge of Rugby
  - 11 of the 1st XV Rugby boys have been selected for the County
  - 12 pupils achieved their England Rugby Level 2 Refereeing qualification

- Hockey
  - Barney were crowned County Champions at U10, U11, U13 and U18
  - U11 and U13 qualified for the Regional competition and U11 Girls got through to the North of England semi-finals
  - Hockey 1st team qualified for the National Finals
  - 4 Prep School pupils have been selected to represent U12 Durham Hockey Squad, a year below their "age group"

- Netball
  - The partnership with Leeds Rhinos Netball continues and has afforded an increased number of pupils the opportunity to come into contact with high-level players and ex-super-league and international coaches.

- Athletics
  - For the third year, a sixth form pupil has been selected to join the elite squad of the British Athletics Paralympic Futures Academy.

- Squash
  - U16s won their group stages and qualified for the Nationals.

- Equestrian
  - 27 riders are now registered to represent the School in NSEA equestrian competitions.

- Prep School
  - All children represented the School in a sports fixture.

Festival of Sport Weekend

Once again, the School welcomed 37 teams over the two days in September 2019, allowing over 400 children to take part in over 100 matches.

Drama

All children in Prep School took part in a musical performance and all Pre-Prep children took part in a drama performance. Whilst some performances had to be postponed, Year 3 staged a wonderful South American Arts Evening.

The Sixth Form play, "One Man, Two Guvnors" was a huge success, selling out all 3 performances.

The School Musical, "Made in Dagenham" was a triumph of creativity and collaboration from across the School that was enjoyed by those lucky enough to see the single performance that was possible before lockdown in March 2020.

The leading Neo-Futurist company Degenerate Fox visited the School and delivered the first of their bespoke 3-hour workshops for all Drama and Theatre Studies students. They also performed their piece, "The Dirty Thirty", where they perform 30 plays in an hour against the clock.

Music

The Music Department welcomed Mr Richard Dawson as the new Director of Music. Under his guidance the department continued to deliver a wide range of high-quality performances and recitals both within the School and outside in the wider community, from a performance of the Chapel choir in Newcastle Cathedral to the Year 6 pupils singing carols at the Charles Dickens Lodge whilst delivering cards and gifts to the residents.

In the Michaelmas term, the School welcomed world-class ensemble, The Gesualdo Six, to give a concert in Chapel and lead a workshop with the Chapel Choir.

Parents were invited to listen to each of the School ensembles as they performed in the Autumn Concert in the newly refurbished Auditorium in Senior School.

In the Prep School, 81 pupils performed virtually in their "Have a Go" concert, with pupils recording their pieces at home and sending them in. The various performances were collated and then sent out to every parent for all to appreciate.

Prior to lockdown, the Friday lunchtime concerts continued to be popular providing the Music Scholars with the opportunity to play to an audience of pupils, staff, parents and members of the public and parents.

Post lockdown, virtual choir was added to the vast array of activities.

Never has an entire generation of teachers and pupils embarked on such a journey, with curiosity at the heart of it; curiosity regarding the new way of teaching, learning, delivering content, setting work, marking work, performing, training, caring and inspiring. The infiltration of IT into the life of each member of School has led to a cohort of pupils who have a much greater level of independence and inquisitiveness.

Clearly 2020 was an unprecedented year for external examinations. Notwithstanding, the Governors are delighted to report another excellent round of academic results, with a 100% pass rate for all external exams. A-levels saw another year of improvement, with an 11% increase in the top two grades and the highest A* percentage to date. In the second year of the new grading system for GCSE's, the School achieved a 50% increase in the top 2 grades (8,9).

This year, results days had to be held virtually, however, this enforced format proved to be a great success as it gave pupils one on one time with staff at a pivotal time in their young lives.

Central to the aims of the School is delivering a seamless, coherent journey from Reception through to the end of Sixth Form. Each pupil's "journey" will show how they develop the various aspects of School life - academically, athletically, socially etc – and allow staff to cater appropriately for each child. This strong sense of cohesion was invaluable as Prep and Senior Schools had to respond to different but similar challenges.

Highlights of this year were:

- In October, the School welcomed around 70 of the brightest young minds from schools across the North, both state and independent, as the host for the Royal Society for Arts, Manufactures and Commerce (RSA) Democracy in Education Day.
- The Learning@Home programme allowed for a seamless transition to education at home.
- Bespoke programmes were created where necessary, such as an "Introduction to A Level Course" for Year 11 students.
- Year 13 students had live webinars dealing with UCAS and the University scene.
- A bespoke programme, "Life Beyond Barney", included a wide range of courses from CV building to finances at "Uni", delivered by OB's and other contacts.

The School recognises and values the symbiotic relationship it has with the communities of Barnard Castle, Teesdale, Country Durham and North Yorkshire. The School aims to make a positive and valued contribution to the wider community, advancing education and social welfare to the public at large. To achieve this, the School strives to be recognised locally, nationally and internationally as an outstanding developer of young adults; a trusted partner for the provision of educational, sport and welfare support and resources; a great employer and a good neighbour.

Oxford Economics and the ISC undertook an assessment which showed that the School's contribution to national GDP in the financial year 2017/18 was £14m, including adding £8m to County Durham's GDP. The analysis also concluded that the total UK Tax payments supported by the School's activities was £4.1m and the savings to the UK taxpayer as a result of attendance at the School was £3.7m. The School employs 199 staff in Barnard Castle and it is estimated the School's activities support 340 individuals in total. The Governors believe that this assessment is still valid and it is likely that the contribution has increased as a result of the increase in student numbers.

Transformational Bursaries and Scholarships

The School has long focused on developing young people of character; individuals with the confidence, compassion, creativity and humanity to make a real difference in our ever-changing world. Moreover, providing access to children, regardless of their means, has been core to the School since 1881, when the first governing document enshrined this principle.

While the School does not have the benefit of a strong financial endowment, the Governors continue with their ambitious plans to change this by establishing a Transformational Bursary Endowment Fund, which will increase the available means-tested financial assistance and access to the School.

In the meantime, the School continues to support a number of pupils through Bursaries and Scholarships. Parents are encouraged to apply for Bursaries, which are awarded based on a fair and rigorous means-testing process; the means assessment is revisited each year. As a result, this year 41 pupils received means-tested assistance with fees this year (equivalent to 24 full places). Financial assistance and educational extension opportunities were also awarded to a number of pupils who successfully gained places on the Scholarship Programme (103 in the current year).

Admissions & Marketing

The Admissions department has continued to successfully market the School and raise its profile by engaging with both domestic and international partners. This, together with its successful Learning@Home programme, has allowed the School to increase its pupil roll by 5% for September 2020 despite a fall in international students due to the pandemic.

Educational, Sport and Welfare Community Support

A core principle of the School is that it has a duty to support the local community where possible. This year, the restrictions have meant that involvement has been more limited than usual. However, routinely the School provides the following facilities and support:

- Use of the School's playing fields:
  - various local maintained and independent schools,
  - Barney Hockey Club
  - Barnard Castle Junior Hockey Club
  - Durham Army Cadet Force
  - Tri-Service Cadet Adventure Training Group
  - Bowes Football Club
  - Barnard Castle Rugby Club
  - Durham County Hockey
  - Raby Cricket Club
  - Barnard Castle Cricket Club
  - Barnard Castle Football Club
  - GSK Squash Club
  - Zetland Pony Club

- Professional development:
  - Hosting of professional development opportunities for teachers and support staff in other schools.
  - The School hosts masterclasses and provides UCAS advice and interview experience for candidates from local maintained schools.
  - Governors and staff also serve on Governing Bodies of various maintained schools.
  - The School provides a large number of examiners to the main examination boards and one of its Heads of Departments advises on PGCE applicants at Durham University.

- Hosting of events:
  - Teesdale Primary Schools' Cross-country Competition.
  - Activity Weeks open to the whole community.
  - The School's Chaplain is part of the local chapter of clergy. Chapel services are open to everyone and Christmas Festivals of Nine Lessons and Carols are particularly popular with local visitors.

- Use of the School's facilities:
  - Duke of Edinburgh's Award local assessors use the School as a meeting place for coordination and planning.
  - "Clique", a local charity, holds its annual fundraising dinner in the School.
  - The Rotary Club use the auditorium for charity lectures.
  - Barnard Castle School Choral Society use the Chapel.
  - The Chapel is available for use by the community and visitors are encouraged on Heritage Open Days.
  - The School makes additional parking available without charge to the Bowes Museum on busy occasions and for special exhibitions. Further, the School is a designated place of safety for the Bowes Museum's collection.
  - The School's fields are used as landing zones for helicopters carrying members of the Royal family and other dignitaries to local engagements.

Financial Review

In line with all other schools, the COVID-19 pandemic had an adverse financial impact. A discount of 25% on the day fee for the Summer Term was offered to all parents in recognition that Learning@Home, albeit excellent, was not the full immersive experience. Further, the international and UK boarding pupils returned home with the boarding fee credited. Tight cost control and utilisation of the furlough scheme helped to mitigate this reduction in fee income. In order to ensure the smooth running and security of the School, and to counter any possible further adverse effects, the School took advantage of the CBILS loan facility and applied for a loan of £1.85m. This loan was received in December 2020 and can be repaid at any time, without penalty, within the 6-year term.

As a result the School made an operating (deficit) / surplus of £(707,691) (2019: £629,554) before actuarial (losses)/gains. The net assets of the School at the balance sheet date were £7,986,483 (2019: £8,974,174). During the year, fixed asset additions amounting to £640,852 were funded entirely out of cash leaving a net cash position after deducting bank loans of £822,160 (2019: £366,856).

The School had total income during the year of £8,479,589 (2019: £9,990,081) after remissions and cost of providing school buses. Total school fees income during the year was £9,743,036 (2019: £9,910,290) with average pupil numbers 670 (2019: 658). Total expenditure excluding gains/losses on investments for the year was £9,177,612 (2019: £9,372,800).

The Senior Management Team provide each respective Governor sub-committee with at least termly reports. Each committee reviews and monitors the reports to measure performance and identify trends with regard to academic performance, pastoral matters, marketing and development, historic and future financial performance.

Reserves Policy

The policy of the School is to achieve an annual operating surplus which secures the future financial viability of the School and allows continued investment in the infrastructure of the School. The School made an in year operating deficit of £(707,691). As at 31 August 2020, the School held fund balances of £7,986,483 comprising £7,271,988 unrestricted funds, £668,620 of restricted funds and £45,875 endowment funds.

The Durham County Council Local Government Scheme notional pension fund calculation is impacted by the assumptions made at the end of the financial year and can result in large swings in the valuation. In the short term the opinion of the Governors is that the calculation has only a limited effect on the School's cash flow, while in the longer term the effects are expected to be sustainable out of future income and are therefore disregarded for reserve policy purposes. Options which might mitigate the risk continue to be explored.

After making appropriate enquiries the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

Investment Policy

The Governors investment powers are determined by the Memorandum and Articles of Association and they have delegated the management of the School's investment portfolio to Brewin Dolphin and BlackRock. The Board's policy is to adopt a low to medium risk investment strategy.

Principal Risks and Uncertainties

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to identify and minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects coupled with a judicious use of cash reserves to deal with monthly fluctuations in cash flow.

The management and staff took the pandemic in their stride implementing the procedures and controls necessary to secure the financial stability of the School and to ensure that the education of pupils continued uninterrupted.

Estate Development

The Governors continue to invest in maintaining and developing the fabric of the School. The year started with the completion of the Auditorium in Senior School with the installation of innovative tiered seating. However, due to the requirements for the School to be COVID secure, other than the major IT investment, significant development works were postponed until the current pandemic is over. Small works were undertaken to improve the boarding community laundry provision. It was pleasing to see how well the refurbishment of the boarding houses in the previous year was received with Junior Boarding going from strength to strength.

Plans for Future Periods

The School's Strategic Plan, supported by the Development Plan and Capital Plan, detail the plans of the Headmaster and his Senior Management Team for the School over the next 10 years. These documents are regularly reviewed and updated and have the full support of the Governing Body. The Plans have a level of flexibility incorporated within them to allow for such events as the pandemic to ensure that the School operates within agreed, prudent financial parameters.

School's Alumni

The relationship with the School's alumni remains healthy and vibrant. The OB community, which boasts over 3,000 members, continued to support each other through what has been a very difficult year for all.
Unfortunately, this year, circumstances have made it very difficult to organise events and physically get together. However, OBs are in contact virtually and are always welcome to visit at any time, and may support the School in many ways, such as through the Lecture series.

In December 2019, OBs did manage to gather in London and were updated with the current Development Plan and the exciting future developments planned for the School.

Philanthropy

A philanthropic brochure was sent to over 3,000 OBs, detailing a range of exciting and ambitious projects which include a Sports Pavilion, a new Pastoral Space, Academic Provision and Bursaries. This fund-raising initiative has resulted in a number of significant donations, which will allow the School to start on its journey towards realising its 20-year vision.

Independent Schools Inspectorate

The School continues to be compliant, meeting all necessary standards. There were no inspections in the year.

Governing Document

The Governing Document of the Charity is it's Articles of Association. The Charity is a private company, limited by guarantee, as defined by the Companies Act 2006. The Articles of Association were apdopted on 13th September 2019.

The Governing Body

The School is governed by a Board of Governors (the Board), comprising Foundation Governors who are appointed by a resolution of the Board, and Nominated Governors who are nominated by the relevant organisations listed in the Articles of Association and appointed by a resolution of the Board.

The Board of Governors identifies suitable Foundation candidates with the skills and experience appropriate to the perceived needs of the School who will contribute to maintaining a balanced, diverse and effective Board. A Governors' skills matrix is maintained to ensure that the core requirement to recruit responsible individuals with an active interest, the free time necessary to fulfil their duties and the complementary expertise to add value to the Board, is achieved.

All new Governors are given a copy of the School's Governor Handbook and an induction which includes a full tour of the School and meetings with key management and staff, and a range of students.

Governor training is an ongoing process achieved through internal training and by training programmes and best practice manuals provided by organisations such as AGBIS. All Governors regularly complete a self-review and general governing body audit together with an individual skills assessment which provides the opportunity to analyse contribution and to identify any new requirements or additional training needs.

The Board all give their time freely and accordingly no remuneration was paid in the year. Details of any expenses and related party transactions are disclosed in note 29 to the Accounts.

Organisational Management

The Board of Governors consider that they and the Senior Management Team, led by the Headmaster, comprise the Key Management Personnel. They are responsible for the strategic direction and control of the Charity together with its day-to day management.

The full Board of Governors meets formally three times a year with the Headmaster and his Senior Management Team in attendance. The purpose of the meetings is to determine, agree and ensure effective implementation of the strategic direction, general policies and procedures and financial oversight. In order to facilitate this process and to ensure optimal output, four committees have been established which meet at least once a term, the members of which are selected for their specific relevant expertise and are allocated individual areas of responsibility. The four committees are as follows:

- Finance & Estates (inc. Risk and Audit)
- Education, Welfare & Staff Development
- Strategy, Marketing & Development
- Governance

The Terms of Reference are reviewed annually by the full Board.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Board determines the general policy of the School in close collaboration with the Headmaster and his Senior Management Team who are responsible for its implementation and administration throughout the Senior and Prep schools. The day-to-day management of the School, therefore, is delegated to the Headmaster, who undertakes the key leadership role overseeing educational, pastoral and administrative functions, supported by his Senior Management Team.

The Senior Management Team provide each respective Governor sub-committee with at least termly reports. Each committee reviews and monitors these reports to measure performance and identify trends with regard to academic performance, pastoral care, marketing and development, historic and future financial performance.

The Headmaster oversees the recruitment and management of all educational staff, whilst, under delegated authority, the Bursar oversees the recruitment and management of administrative and non-teaching support staff.

Risk Management

The Governors have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against the key risks faced by the School. The School maintains an up-to-date register of the main areas of risk to ongoing operations of the School. Risks are categorised as Governance and Strategic, Operational, Financial and External.

As identified within this report, the response of the School to the recent unprecedented events, confirmed that the approach taken to risk management is both sound and effective.

Pay Policy for Senior Staff

The remuneration of the Headmaster is set by the Chairman and Vice-Chairs of the Board. Senior management salaries are set by the Headmaster and reviewed by the Finance & Estates Committee using a diverse set of criteria including, inter alia, benchmark reports provided by the sector associations such as AGBIS, IAPS and the ISC, together with those of respected consultants within the sector.

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Governors' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the Charity and financial information included on the Charity website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

In so far as the Governors are aware:

- there is no relevant audit information of which the Charity auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the board of Governors on ..... and signed on its behalf by:

Mrs C J Sunley
Vice Chair

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL

Opinion

We have audited the financial statements of Barnard Castle School(the 'Charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Charity affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of governors

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

In preparing the financial statements, the Governors are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNARD CASTLE SCHOOL (CONTINUED)

Use of our report

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

C P Beaumont

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT
Date: 21st May 2021

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	3	115,493	-	-	115,493	1,015,781
Charitable activities:	6					
School fees		9,743,036	-	-	9,743,036	9,910,290
Other income		24,809	-	-	24,809	67,599
Cost of providing school buses		(18,719)	-	-	(18,719)	(11,993)
Remissions		(1,874,633)	(13,018)	-	(1,887,651)	(1,077,734)
Other trading activities	4	2,369	-	-	2,369	77,604
Investments	5	6,942	5,828	-	12,770	8,534
Government grants	7	487,482	-	-	487,482	-
Total		8,486,779	(7,190)	-	8,479,589	9,990,081
Expenditure on:						
Raising funds	8	530	3,499	-	4,029	29,572
Charitable activities:						
Welfare		720,571	-	-	720,571	843,664
Premises		2,159,080	-	-	2,159,080	2,206,857
Teaching		5,408,564	-	-	5,408,564	5,305,977
Other charitable activities		880,021	5,347	-	885,368	986,730
Total		9,168,766	8,846	-	9,177,612	9,372,800
Net gains/(losses) on investments		-	(9,668)	-	(9,668)	12,273
Net income/ (expenditure)		(681,987)	(25,704)	-	(707,691)	629,554
Transfers between funds	23	13,018	(13,018)	-	-	-
Net movement in funds before other recognised gains/(losses) carried forward		(668,969)	(38,722)	-	(707,691)	629,554

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Net movement in funds before other recognised losses brought forward		(668,969)	(38,722)	-	(707,691)	629,554
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	28	(280,000)	-	-	(280,000)	(530,000)
Net movement in funds		(948,969)	(38,722)	-	(987,691)	99,554
Reconciliation of funds:						
Total funds brought forward		8,220,957	707,342	45,875	8,974,174	8,874,620
Net movement in funds		(948,969)	(38,722)	-	(987,691)	99,554
Total funds carried forward		7,271,988	668,620	45,875	7,986,483	8,974,174

The notes on pages 26 to 51 form part of these financial statements.

BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)
REGISTERED NUMBER: 06596258 (England and Wales)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	13		690		4,515
Tangible assets	14		10,306,653		10,407,546
Investments	15		530,786		547,749
			10,838,129		10,959,810
Current assets					
Stocks	16	81,385		68,948	
Debtors	17	532,612		1,376,961	
Cash at bank and in hand		1,031,353		625,430	
		1,645,350		2,071,339	
Creditors: amounts falling due within one year	18	(2,832,223)		(2,529,790)	
Net current liabilities			(1,186,873)		(458,451)
Total assets less current liabilities			9,651,256		10,501,359
Creditors: amounts falling due after more than one year	19		(724,773)		(807,185)
Net assets excluding pension liability			8,926,483		9,694,174
Defined benefit pension scheme liability	28		(940,000)		(720,000)
Total net assets			7,986,483		8,974,174
Charity funds					
Endowment funds	23		45,875		45,875
Restricted funds	23		668,620		707,342
Unrestricted funds	23		7,271,988		8,220,957
Total funds			7,986,483		8,974,174

The financial statements were approved and authorised for issue by the Governors on ..... and signed on their behalf by:

Mrs C J Sunley
Vice Chair

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	25	1,142,047	64,357
Cash flows from investing activities			
Proceeds from the disposal of tangible fixed assets		-	5,035
Purchase of tangible fixed assets		(640,852)	(458,221)
Proceeds from sale of investments		51,134	32,574
Purchase of investments		(52,694)	(27,548)
Dividend income		5,828	5,518
Interest received		6,942	3,016
Net cash used in investing activities		(629,642)	(439,626)
Cash flows from financing activities			
Loan repayments in year		(49,381)	(49,261)
Capital repayments in year		(52,622)	(103,999)
Net cash used in financing activities		(102,003)	(153,260)
Change in cash and cash equivalents in the year		410,402	(528,529)
Cash and cash equivalents at the beginning of the year		609,241	1,137,770
Cash and cash equivalents at the end of the year	26	1,019,643	609,241

The notes on pages 26 to 51 form part of these financial statements

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006. The financial statements have been prepared under the historial cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Barnard Castle School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Governors, having made due and careful enquiry and reviewing prepared forecasts, are of the opinion that the School has adequate working capital to execute its operations over the next twelve months. The Governors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. As a result the Governors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are reported in £ sterling.

1.2 Going concern

In line with the rest of the country, the Covid-19 pandemic has had a dramatic impact on the School from both the daily routines that were taken for granted to an adverse financial impact. Pupils were sent home in March and the Learning@home programme was implemented. This programme was very warmly received by parents and pupils and the full educational timetable was followed, albeit remotely. Teachers and pupils were connected online, via Teams, thereby maintaining a degree of connection and normality.

From a financial perspective, the pandemic resulted in discounted school fees for the Trinity term recognising that the full service was not being delivered. Tight cost control and utilisation of the furlough scheme helped to mitigate the reduced fee income. However, it is believed that the effects of Covid-19 will be felt for the majority of the next academic year as the country emerges out of lockdown and the economy recovers. Therefore, in order to ensure the smooth running of the School (including future capital expenditure) and to counter any possible further adverse effects, the School took advantage of the CBILS loan facility and applied for a loan of £1.85m. The loan can be repaid at any time, without penalty, within the 6-year term.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred in directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Tangible fixed assets and depreciation

No depreciation is provided on freehold land.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Plant and machinery	- 5% straight line
Motor vehicles	- 25% reducing balance and 25% straight line
Fixtures and fittings	- 10 - 25% straight line
Building alterations	- 5 - 25% straight line
Computer equipment	- 20 - 25% straight line

1. Accounting policies (continued)

1.7 Intangible assets and amortisation

Intangible assets are initially recognised at cost and subsequently measured at cost net of amortisation and any provision for impairment. Intangible assets are being amortised over their expected useful lives on the following straight line bases:

Computer Software	- 25 %

1.8 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent the permanent funds of the School. All income generated by the funds are unrestricted and used for the purpose of the School.

Investment income, gains and losses are allocated to the appropriate fund.

1.11 Pensions

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme.

The School also contributes to the Durham County Council Local Government Scheme, a defined benefit scheme for non-teaching staff. Rates are set by the Scheme Actuary and advised to the School by the Scheme Administrator. This scheme is being accounted for under FRS 102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts as a designated fund entitled "Pensions Reserve", which is deducted from Unrestricted Funds in the balance sheet. The Governors believe that the scheme currently meets statutory minimum funding requirements. The Governors note that the notional deficit or surplus calculated under FRS 102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cashflows. This scheme was closed to new entrants in 2006.

1. **Accounting policies (continued)**

1.12 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.13 Provisions

Provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event,which it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.15 Financial instruments

The Chairty only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.
Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19 . Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2. Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined by the scheme actuaries using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	109,993	109,993	115,781
Legacies	5,500	5,500	900,000
Total 2020	115,493	115,493	1,015,781
Total 2019	1,015,781	1,015,781	

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings and event income	2,369	2,369	77,604
Total 2020	2,369	2,369	77,604
Total 2019	77,604	77,604	

5. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income from listed investments	-	5,828	5,828	5,518
Deposit account interest	6,942	-	6,942	3,016
Total 2020	6,942	5,828	12,770	8,534
Total 2019	3,016	5,518	8,534	

6. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
School fees	9,743,036	-	9,743,036	9,910,290
Other Income	24,809	-	24,809	67,599
Cost of providing school buses	(18,719)	-	(18,719)	(11,993)
Remissions	(1,874,633)	(13,018)	(1,887,651)	(1,077,734)
	7,874,493	(13,018)	7,861,475	8,888,162
Total 2019	8,902,112	(13,950)	8,888,162	

Included within Remissions are remote learning discounts on day fees that were offered to all parents as a result of the Covid-19 pandemic of £935,696 (2019: nil).

7. Government grants

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Coronavirus Job Retention Scheme grants	487,482	487,482	-

8. Raising funds

Other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings and event costs	530	-	530	26,164
Investment management fees	-	3,499	3,499	3,408
	530	3,499	4,029	29,572
Total 2019	26,164	3,408	29,572	

9. Analysis of charitable expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	5,339,017	69,547	5,408,564	5,305,977
Premises	1,415,158	743,922	2,159,080	2,206,857
Welfare	720,571	-	720,571	831,064
Other	825,495	59,873	885,368	999,330
	8,300,241	873,342	9,173,583	9,343,228
Total 2019	8,495,197	848,031	9,343,228	

In 2020 of the total charitable expenditure of £9,173,583 (2019: £9,343,228), £9,168,236 (2019: £9,337,881) was to unrestricted funds, £5,347 (2019: £5,347) was to restricted funds and £Nil (2019: £Nil) was to endowment funds.

9. Analysis of charitable expenditure by activities (continued)

Analysis of direct costs

	Teaching 2020 £	Premises 2020 £	Welfare 2020 £	Other 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	-	-	-	10,000	10,000	10,000
Staff costs	4,940,524	701,994	454,856	532,132	6,629,506	6,528,408
Teaching resources	177,540	-	-	-	177,540	238,677
Premises and grounds	-	67,808	-	-	67,808	85,057
Rates	-	67,264	-	-	67,264	65,314
Insurance	17,012	72,014	-	-	89,026	79,848
Light, heat and water	-	227,748	-	-	227,748	226,937
Other teaching costs	132,281	-	-	-	132,281	151,278
Travel	71,660	-	1,405	-	73,065	75,994
Catering	-	-	249,019	-	249,019	330,761
Laundry	-	-	7,430	-	7,430	17,213
Nursing	-	-	7,861	-	7,861	12,828
Cleaning	-	78,539	-	-	78,539	58,447
Maintenance	-	199,791	-	-	199,791	273,164
Marketing and development	-	-	-	78,306	78,306	122,320
IT costs	-	-	-	83,750	83,750	107,886
Administration	-	-	-	81,464	81,464	85,732
Recruitment	-	-	-	14,867	14,867	9,304
Bad debts	-	-	-	24,976	24,976	16,029
	5,339,017	1,415,158	720,571	825,495	8,300,241	8,495,197
Total 2019	5,305,977	1,494,960	831,064	863,196	8,495,197	

9. Analysis of charitable expenditure by activities (continued)

Analysis of support costs

	Governance 2020 £	Premises 2020 £	Finance 2020 £	Total funds 2020 £	Total funds 2019 £
Depreciation and amortisation	-	711,932	-	711,932	711,699
Loss/(profit) on disposal of assets	-	31,990	-	31,990	198
Bank charges	-	-	25,679	25,679	15,644
Bank interest	-	-	7,323	7,323	9,202
Leasing interest	-	-	26,871	26,871	32,274
Governance costs	69,547	-	-	69,547	79,014
	69,547	743,922	59,873	873,342	848,031
Total 2019	30,780	711,897	105,354	848,031	

10. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	10,500	11,250
Depreciation - owned assets	658,441	654,250
Depreciation - assets on finance lease	49,666	49,666
Deficit on disposal of fixed asset	31,990	198
Computer software amortisation	3,825	7,783
Operating lease payments	76,412	73,254

11. Governors' remuneration and benefits

During the year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £1,328 were reimbursed or paid directly to 3 Governors (2019 - £1,700 to 2 Governors). Expenses reimbursed relate to travel costs incurred.

12. Staff costs

	2020 £	2019 £
Wages and salaries	5,142,832	5,185,261
Social security costs	477,401	492,133
Other pension costs	1,009,273	851,014
	6,629,506	6,528,408

Included in other pension costs is a credit of £70,000 (2019: £40,000 credit) relating to the pension deficit actuarial adjustment.

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

	2020 No.	2019 No.
Teaching	117	119
Support	18	14
Welfare	28	29
Premises	37	38
	200	200

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

Pension contributions of £44,674 (2019: £31,374) were made to defined benefit and contribution schemes on behalf of these employees.

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the School was £662,643 (2019: £592,229). The increase in costs is a reflection of the fact that all of the key management posts were filled for the full year.

13. Intangible assets

	Computer software £
Cost	
At 1 September 2019	67,697
Disposals	(32,363)
At 31 August 2020	35,334
Amortisation	
At 1 September 2019	63,182
Charge for the year	3,825
On disposals	(32,363)
At 31 August 2020	34,644
Net book value	
At 31 August 2020	690
At 31 August 2019	4,515

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2019	14,280,127	1,015,714	2,453,495	13,926	354,087	18,117,349
Additions	16,684	-	145,817	7,095	471,256	640,852
Disposals	(177,711)	-	(420,372)	(2,400)	(67,544)	(668,027)
At 31 August 2020	14,119,100	1,015,714	2,178,940	18,621	757,799	18,090,174
Depreciation						
At 1 September 2019	5,354,234	132,872	1,976,759	4,697	241,241	7,709,803
Charge for the year	448,101	50,786	148,305	5,004	55,911	708,107
On disposals	(151,557)	-	(419,667)	(2,300)	(60,865)	(634,389)
At 31 August 2020	5,650,778	183,658	1,705,397	7,401	236,287	7,783,521
Net book value						
At 31 August 2020	8,468,322	832,056	473,543	11,220	521,512	10,306,653
At 31 August 2019	8,925,893	882,842	476,736	9,229	112,846	10,407,546

Included in cost of freehold property is freehold land of £55,240 (2019: £55,240) which is not depreciated.

During the year music instruments that were previously expensed were capitalised.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery 2020 £	2019 £
Cost		
At 1 September	993,321	993,321
Additions	-	-
	993,321	993,321
Depreciation		
At 1 September	132,294	82,628
Charge for year	49,666	49,666
	181,960	132,294
Net book value		
At 31 August	811,361	861,027

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2019	547,749
Additions	52,694
Disposals	(51,134)
Revaluations	(18,523)
At 31 August 2020	530,786
Net book value	
At 31 August 2020	530,786
At 31 August 2019	547,749

16. Stocks

	2020 £	2019 £
Stocks	81,385	68,948

17. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	170,732	161,807
Other debtors	1,613	-
Prepayments and accrued income	360,267	1,215,154
	532,612	1,376,961

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts (see note 20)	49,124	49,812
Trade creditors	715,327	638,784
Other taxation and social security	594,584	224,661
Finance lease (see note 21)	100,983	109,930
Other creditors	227,669	114,405
Accruals and deferred income	1,144,536	1,392,198
	2,832,223	2,529,790

	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	1,313,752	1,219,291
Resources deferred during the year	1,075,026	1,313,752
Amounts released from previous periods	(1,313,752)	(1,219,291)
	1,075,026	1,313,752

Deferred income at the balance sheet date is in relation to monies received for school fees and courses in 2020 and beyond.

19. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans (see note 20)	160,069	208,762
Finance lease (see note 21)	370,089	413,764
Other creditors	194,615	184,659
	724,773	807,185

20. Loans

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Bank loans	49,124	49,812
Amounts falling between one and two years:		
Bank loans - 1-2 years	49,124	49,124
Amounts falling due between two and five years:		
Bank loans - 2-5 years	110,945	147,372
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 years	-	12,266

The bank loan is repayable over a period of 14 years on a quarterly basis with interest charged at 2.4% above LIBOR. The remaining term of this loan is 4 years and 3 months.

21. Leasing agreements

	Finance lease 2020 £	2019 £
Net obligations repayable:		
Within one year	100,983	109,930
Between one and five years	370,089	413,764
In more than five years	-	-
	471,072	523,694

The finance lease relates to the installation and purchase of a Biomass district heating system. The term of the lease is 7 years. The biomass system is accredited by the OFGEM Non Domestic Renewable Heat Incentive Scheme.

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	57,097	70,934
Between one and five years	67,581	122,359
	124,678	193,293

22. Secured debts

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	209,193	258,574
Finance leases	471,072	523,694
	680,265	782,268

The loan is secured by way of a legal mortgage and fixed charge over the School's Land.

The finance lease contract is secured over the Biomass Boiler System to which it relates.

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

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Revenue reserve	7,320,957	8,486,779	(9,168,766)	313,018	(280,000)	6,671,988
Designated Funds	900,000	-	-	(300,000)	-	600,000
	8,220,957	8,486,779	(9,168,766)	13,018	(280,000)	7,271,988
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	499,685	(7,190)	(3,499)	-	(9,668)	479,328
Hearnshaw Legacy	113,004	-	-	(13,018)	-	99,986
Science Centre Donation	94,653	-	(5,347)	-	-	89,306
	707,342	(7,190)	(8,846)	(13,018)	(9,668)	668,620
Total of funds	8,974,174	8,479,589	(9,177,612)	-	(289,668)	7,986,483

23. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Revenue reserve	8,102,539	9,998,513	(9,364,045)	(886,050)	(530,000)	7,320,957
Designated Funds	-	-	-	900,000	-	900,000
	8,102,539	9,998,513	(9,364,045)	13,950	(530,000)	8,220,957
Endowment funds						
Foundation endowment	45,875	-	-	-	-	45,875
Restricted funds						
Barnard Castle School Prize & Scholarship Fund	499,252	(8,432)	(3,408)	-	12,273	499,685
Hearnshaw Legacy	126,954	-	-	(13,950)	-	113,004
Science Centre Donation	100,000	-	(5,347)	-	-	94,653
	726,206	(8,432)	(8,755)	(13,950)	12,273	707,342
Total of funds	8,874,620	9,990,081	(9,372,800)	-	(517,727)	8,974,174

Designated Funds contain legacies received by the School which will be used to invest in capital projects.

The Foundation Endowment was formed when the School was established. This is considered to be an endowed fund which is held in the form of land.

The Barnard Castle School Prize & Scholarship Fund is used for funding scholarships and the purchase of prizes.

The Hearnshaw Legacy was a legacy received for the payment of a scholarship for an A Level science place.

The Science Centre fund was initially given to invest in science capital projects. However an opportunity arose in the previous year for two projects, the sports hall refurbishment and creation of the music performance space. The donor was approached and gave his permission for the money to be used in this manner. Depreciation relating to these assets is allocated to the fund annually.

The transfer from the Designated fund during the year relates to the expenditure on IT.

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	10,176,384	84,394	45,875	10,306,653
Intangible fixed assets	690	-	-	690
Fixed asset investments	-	530,786	-	530,786
Current assets	1,591,910	53,440	-	1,645,350
Creditors due within one year	(2,832,223)	-	-	(2,832,223)
Creditors due in more than one year	(724,773)	-	-	(724,773)
Provisions for liabilities and charges	(940,000)	-	-	(940,000)
Total	7,271,988	668,620	45,875	7,986,483

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	10,271,930	89,741	45,875	10,407,546
Intangible fixed assets	4,515	-	-	4,515
Fixed asset investments	16,963	530,786	-	547,749
Current assets	2,001,487	69,852	-	2,071,339
Creditors due within one year	(2,529,790)	-	-	(2,529,790)
Creditors due in more than one year	(807,185)	-	-	(807,185)
Provisions for liabilities and charges	(720,000)	-	-	(720,000)
Other unallocated	(16,963)	16,963	-	-
Total	8,220,957	707,342	45,875	8,974,174

25. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(707,691)	629,554
Adjustments for:		
Depreciation charges	711,932	711,699
Losses/(gain) on investments	9,668	(12,273)
Interest received	(6,942)	(3,016)
Loss on the sale of fixed assets	31,990	198
Increase in stocks	(12,437)	(24,878)
Decrease/(increase) in debtors	844,349	(926,482)
Increase/(decrease) in creditors	337,006	(274,927)
Dividend income	(5,828)	(5,518)
Pension liability adjustment	(60,000)	(30,000)
Net cash provided by operating activities	1,142,047	64,357

26. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,019,643	609,241
Total cash and cash equivalents	1,019,643	609,241

27. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	625,430	405,923	1,031,353
Debt due within 1 year	(49,812)	688	(49,124)
Debt due after 1 year	(208,762)	48,693	(160,069)
Finance leases	(523,694)	52,622	(471,072)
	(156,838)	507,926	351,088

28. Pension commitments

The charity operates a defined benefit pension scheme.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis, these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department of Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the period amounted to £791,876 (2019: £561,183)

Local government pension scheme

The School makes payments on behalf of employees to the Durham County Council Pension Fund. The Durham County Council Pension Fund is a defined benefit scheme, with assets held in separate governor administered funds.

28. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2020 %	At 31 August 2019 %
Discount rate	1.6	1.8
Future salary increases	3.4	3.6
Future pension increases	2.4	2.1
RPI inflation	3.0	3.1
CPI inflation	2.4	2.1
Pension accounts revaluation rate	2.4	2.1

	At 31 August 2020 Years	At 31 August 2019 Years
Mortality rates (in years)		
- for a male aged 65 now	22.2	22.3
- at 65 for a male aged 45 now	23.2	24.0
- for a female aged 65 now	24.2	23.8
- at 65 for a female aged 45 now	25.7	25.7

The charity's share of the assets in the scheme was:

	At 31 August 2020 £	At 31 August 2019 £
Equities	4,290,000	4,280,000
Property	620,000	610,000
Government bonds	2,070,000	2,180,000
Corporate bonds	1,270,000	990,000
Cash	420,000	420,000
Total fair value of assets	8,670,000	8,480,000

The actual return on scheme assets was £150,000 (2019 - £810,000).

28. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	170,000	150,000
Past service cost	-	80,000
Interest income	(150,000)	(210,000)
Interest cost	160,000	220,000
Total amount recognised in the Statement of Financial Activities	180,000	240,000

Movements in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	9,200,000	7,780,000
Interest cost	160,000	220,000
Contributions by scheme participants	20,000	30,000
Actuarial losses	280,000	1,130,000
Benefits paid	(220,000)	(190,000)
Past service costs	-	80,000
Current service cost	170,000	150,000
Closing defined benefit obligation	9,610,000	9,200,000

Movements in the fair value of the charity's share of scheme assets were as follows:

	2020 £	2019 £
Opening fair value of scheme assets	8,480,000	7,560,000
Expected return on assets	150,000	210,000
Actuarial gains	-	600,000
Contributions by employer	240,000	270,000
Contributions by scheme participants	20,000	30,000
Benefits paid	(220,000)	(190,000)
Closing fair value of scheme assets	8,670,000	8,480,000

29. Related party transactions

P D A Mothersill is a Trustee of The Bowes Museum. During the year purchases of £191 (2019: £nil) were made for Museum visits and workshops, no amounts remain outstanding in trade creditors.

D C Osborne is a Director of Roman Ltd. During the year purchases of £3,884 (2019: £nil) were made for Covid-19 safety screens. Balance outstanding in trade creditors at year end was £3,884 (2019: £nil).

N P Hodges is a Director of The Witham Hall Ltd. During the year purchases of £2,478 (2019: £nil) were made for workshops. Balance outstanding in trade creditors at year end was £570 (2019: £nil).

30. Company limited by guarantee

The School is a company limited by guarantee. The members of the School are the Governors named on page 1. In the event of the School being wound up, the liability in respect of the guarantee is limited to £1 per member of the School.