

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
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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 Club¹
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 Council¹
Mr D F Starr, Durham University¹
Dr N Thorpe, Newcastle University¹
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

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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
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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
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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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 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 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:

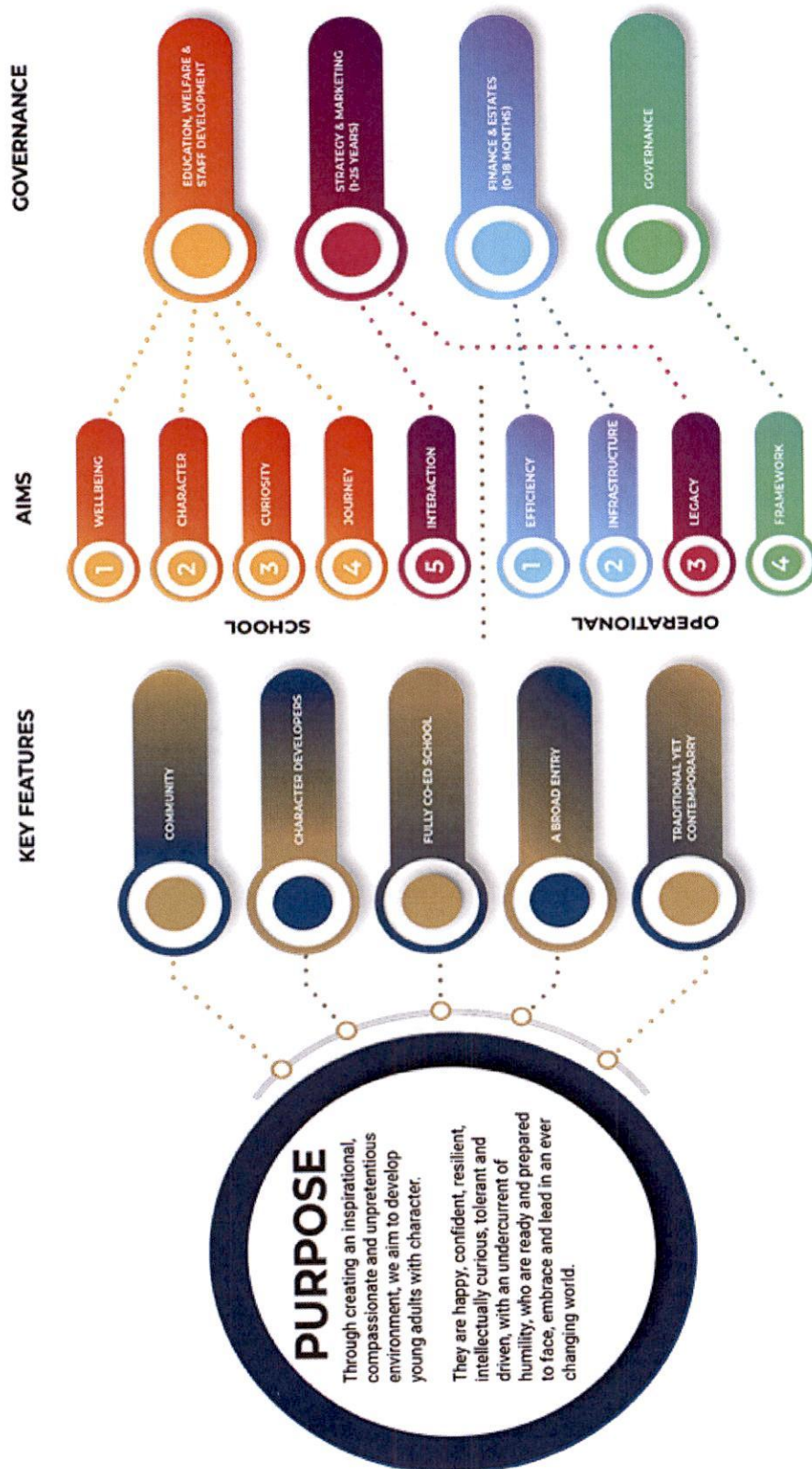
- **Wellbeing** - We aim to be recognised as the leading school for outstanding pastoral care in the North of England, ensuring the safeguarding and protection of each individual associated with the School, from pupil to employee and educating everyone in understanding positive mental health.
- **Character** - We aim to develop confidence, humility, resilience, tolerance, 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020



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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 Centrepont.
- 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

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FOR THE YEAR ENDED 31 AUGUST 2020

- 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.

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FOR THE YEAR ENDED 31 AUGUST 2020

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.

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FOR THE YEAR ENDED 31 AUGUST 2020



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, County 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.

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FOR THE YEAR ENDED 31 AUGUST 2020

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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020



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 its Articles of Association. The Charity is a private company, limited by guarantee, as defined by the Companies Act 2006. The Articles of Association were adopted 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.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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: 2nd 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

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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
		<u>10,838,129</u>	<u>10,959,810</u>
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
		<u>1,645,350</u>	<u>2,071,339</u>
Creditors: amounts falling due within one year	18	(2,832,223)	(2,529,790)
Net current liabilities		<u>(1,186,873)</u>	<u>(458,451)</u>
Total assets less current liabilities		<u>9,651,256</u>	<u>10,501,359</u>
Creditors: amounts falling due after more than one year	19	(724,773)	(807,185)
Net assets excluding pension liability		<u>8,926,483</u>	<u>9,694,174</u>
Defined benefit pension scheme liability	28	(940,000)	(720,000)
Total net assets		<u><u>7,986,483</u></u>	<u><u>8,974,174</u></u>
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		<u><u>7,986,483</u></u>	<u><u>8,974,174</u></u>

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

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

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 historical 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.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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).

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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	<u>115,493</u>	<u>115,493</u>	<u>1,015,781</u>
Total 2019	<u>1,015,781</u>	<u>1,015,781</u>	

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	<u>2,369</u>	<u>2,369</u>	<u>77,604</u>
Total 2019	<u>77,604</u>	<u>77,604</u>	

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	<u>6,942</u>	<u>5,828</u>	<u>12,770</u>	<u>8,534</u>
Total 2019	<u>3,016</u>	<u>5,518</u>	<u>8,534</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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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)
	<u>7,874,493</u>	<u>(13,018)</u>	<u>7,861,475</u>	<u>8,888,162</u>
Total 2019	<u>8,902,112</u>	<u>(13,950)</u>	<u>8,888,162</u>	

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	<u>487,482</u>	<u>487,482</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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
	<u>530</u>	<u>3,499</u>	<u>4,029</u>	<u>29,572</u>
Total 2019	<u>26,164</u>	<u>3,408</u>	<u>29,572</u>	

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
	<u>8,300,241</u>	<u>873,342</u>	<u>9,173,583</u>	<u>9,343,228</u>
Total 2019	<u>8,495,197</u>	<u>848,031</u>	<u>9,343,228</u>	

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.

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FOR THE YEAR ENDED 31 AUGUST 2020**

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
	<u>5,339,017</u>	<u>1,415,158</u>	<u>720,571</u>	<u>825,495</u>	<u>8,300,241</u>	<u>8,495,197</u>
Total 2019	<u>5,305,977</u>	<u>1,494,960</u>	<u>831,064</u>	<u>863,196</u>	<u>8,495,197</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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
	<u>69,547</u>	<u>743,922</u>	<u>59,873</u>	<u>873,342</u>	<u>848,031</u>
Total 2019	<u>30,780</u>	<u>711,897</u>	<u>105,354</u>	<u>848,031</u>	

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	<u>76,412</u>	<u>73,254</u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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
	<u>6,629,506</u>	<u>6,528,408</u>

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
	<u>200</u>	<u>200</u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Intangible assets

	Computer software £
Cost	
At 1 September 2019	67,697
Disposals	(32,363)
	<hr/>
At 31 August 2020	35,334
	<hr/>
Amortisation	
At 1 September 2019	63,182
Charge for the year	3,825
On disposals	(32,363)
	<hr/>
At 31 August 2020	34,644
	<hr/>
Net book value	
At 31 August 2020	690
	<hr/> <hr/>
At 31 August 2019	4,515
	<hr/> <hr/>

BARNARD CASTLE SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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	-	-
	<u>993,321</u>	<u>993,321</u>
Depreciation		
At 1 September	132,294	82,628
Charge for year	49,666	49,666
	<u>181,960</u>	<u>132,294</u>
Net book value		
At 31 August	<u>811,361</u>	<u>861,027</u>

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	<u>530,786</u>
Net book value	
At 31 August 2020	<u>530,786</u>
At 31 August 2019	<u>547,749</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Stocks

	2020 £	2019 £
Stocks	81,385	68,948
	<u>81,385</u>	<u>68,948</u>

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
	<u>532,612</u>	<u>1,376,961</u>

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
	<u>2,832,223</u>	<u>2,529,790</u>

	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)
	<u>1,075,026</u>	<u>1,313,752</u>

Deferred income at the balance sheet date is in relation to monies received for school fees and courses in 2020 and beyond.

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**NOTES TO THE FINANCIAL STATEMENTS
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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
	<u>724,773</u>	<u>807,185</u>

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	 - <u> </u>	 12,266 <u> </u>

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.

BARNARD CASTLE SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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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	-	-
	<u>471,072</u>	<u>523,694</u>

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
	<u>124,678</u>	<u>193,293</u>

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
	<u>680,265</u>	<u>782,268</u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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
	<u>8,220,957</u>	<u>8,486,779</u>	<u>(9,168,766)</u>	<u>13,018</u>	<u>(280,000)</u>	<u>7,271,988</u>
Endowment funds						
Foundation endowment	<u>45,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,875</u>
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
	<u>707,342</u>	<u>(7,190)</u>	<u>(8,846)</u>	<u>(13,018)</u>	<u>(9,668)</u>	<u>668,620</u>
Total of funds	<u><u>8,974,174</u></u>	<u><u>8,479,589</u></u>	<u><u>(9,177,612)</u></u>	<u><u>-</u></u>	<u><u>(289,668)</u></u>	<u><u>7,986,483</u></u>

BARNARD CASTLE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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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
	<u>8,102,539</u>	<u>9,998,513</u>	<u>(9,364,045)</u>	<u>13,950</u>	<u>(530,000)</u>	<u>8,220,957</u>
Endowment funds						
Foundation endowment	<u>45,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,875</u>
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
	<u>726,206</u>	<u>(8,432)</u>	<u>(8,755)</u>	<u>(13,950)</u>	<u>12,273</u>	<u>707,342</u>
Total of funds	<u>8,874,620</u>	<u>9,990,081</u>	<u>(9,372,800)</u>	<u>-</u>	<u>(517,727)</u>	<u>8,974,174</u>

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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

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**NOTES TO THE FINANCIAL STATEMENTS
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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

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26. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,019,643	609,241
Total cash and cash equivalents	<u>1,019,643</u>	<u>609,241</u>

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)
	<u>(156,838)</u>	<u>507,926</u>	<u>351,088</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

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.

BARNARD CASTLE SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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).

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**NOTES TO THE FINANCIAL STATEMENTS
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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

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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.