

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

**BARNARD CASTLE SCHOOL**  
(A Company Limited by Guarantee)

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**

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

**Governors**

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

<sup>1</sup> 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

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

**Bankers**

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

**Investment Advisers**

BlackRock Fund Managers Limited  
12 Throgmorton Avenue  
London  
EC2N 2DL

Brewin Dolphin  
10 Wellington Place  
Leeds  
LS1 4AN



**BARNARD CASTLE SCHOOL**  
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**CHAIR'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The chair presents her statement for the year.

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

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

Lent Term heralded yet more challenges with a Government announcement on 4th January that the country was once again going back into lockdown. Staff had to adapt to having 104 Boarders and a further 90 key worker children in School with the rest of the pupils at home. The Learning@Home programme was activated immediately with live lessons, assignments, activity programmes and house competitions. Engagement, balance and sustainability are the core features of the Learning@Home programme as it encompasses the whole education with:

- The Academic curriculum: the teaching of the curriculum, in line with the normal academic requirements of each year group;
- Engagement and Enrichment: providing stimulation, engagement and interaction with others, as well as a sense of community and belonging; and
- All being underpinned by Robust Pastoral Support providing regular contact between School, pupils and parents.

In addition, the School set up an Asymptomatic Testing Centre and pupils willingly tested themselves on a regular basis, each of them aware of the importance of what they were doing.

Trinity Term brought some elements of normality with pupils returning to School, albeit into year group bubbles once more. The warmer weather allowed for a greater number of activities outside and for the children to socialise in a safe environment. Public examinations were once again cancelled and replaced with individual assessments of pupils by teachers with a range of supporting evidence. This decision placed additional pressure on the Staff who had to accommodate the unique circumstances within their normal teaching commitments. However, the hard work and dedication of the pupils and the Staff paid off with an excellent set of results.

Governors themselves adapted the manner in which they supported and communicated with the School. Meetings were held virtually to minimise contact and, where necessary, held more frequently as the School dealt with the challenges brought by COVID-19.

The Governors would like to acknowledge and thank all stakeholders for their support over the last 18 months and, in particular, to the Staff who have shown a positive, united front throughout, dealing with each challenge in their stride whilst continuing to deliver an excellent all-round education.



Mrs C J Sunley, Chair

Date: 20 May 2022

**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**  
**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**History**

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

The Governors present their annual report together with the audited financial statements of the Charity for the year 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

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

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

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



**BARNARD CASTLE SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**History (continued)**

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

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

**Purpose and Aims**

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

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

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

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

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

**BARNARD CASTLE SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Purpose and Aims (continued)**

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

- **Wellbeing** - *We aim to be recognised as the leading school for outstanding pastoral care in the North of England, ensuring the safeguarding and protection of each individual associated with the School, from pupils to employees, and educating everyone in understanding positive mental health.*
- **Character** - *We aim to develop confidence, humility, resilience, tolerance, determination, a strong spiritual and moral compass, altruism and soft/life skills in each of our pupils.*
- **Curiosity** - *We aim to develop young adults who are intellectually curious, possess an appetite for learning, have an independent attitude towards their intellectual development, a thirst for knowledge and are culturally literate; culminating in academic results which maximise potential.*
- **Journey** - *We aim to use our 'whole School' to see genuine development from the age of entry until departure and beyond, in all aspects of life.*
- **Interaction** - *We aim to promote the School in the wider community, raising awareness regionally, nationally and internationally and be the 'school of choice' in the area; for pupil, parent and teacher.*

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

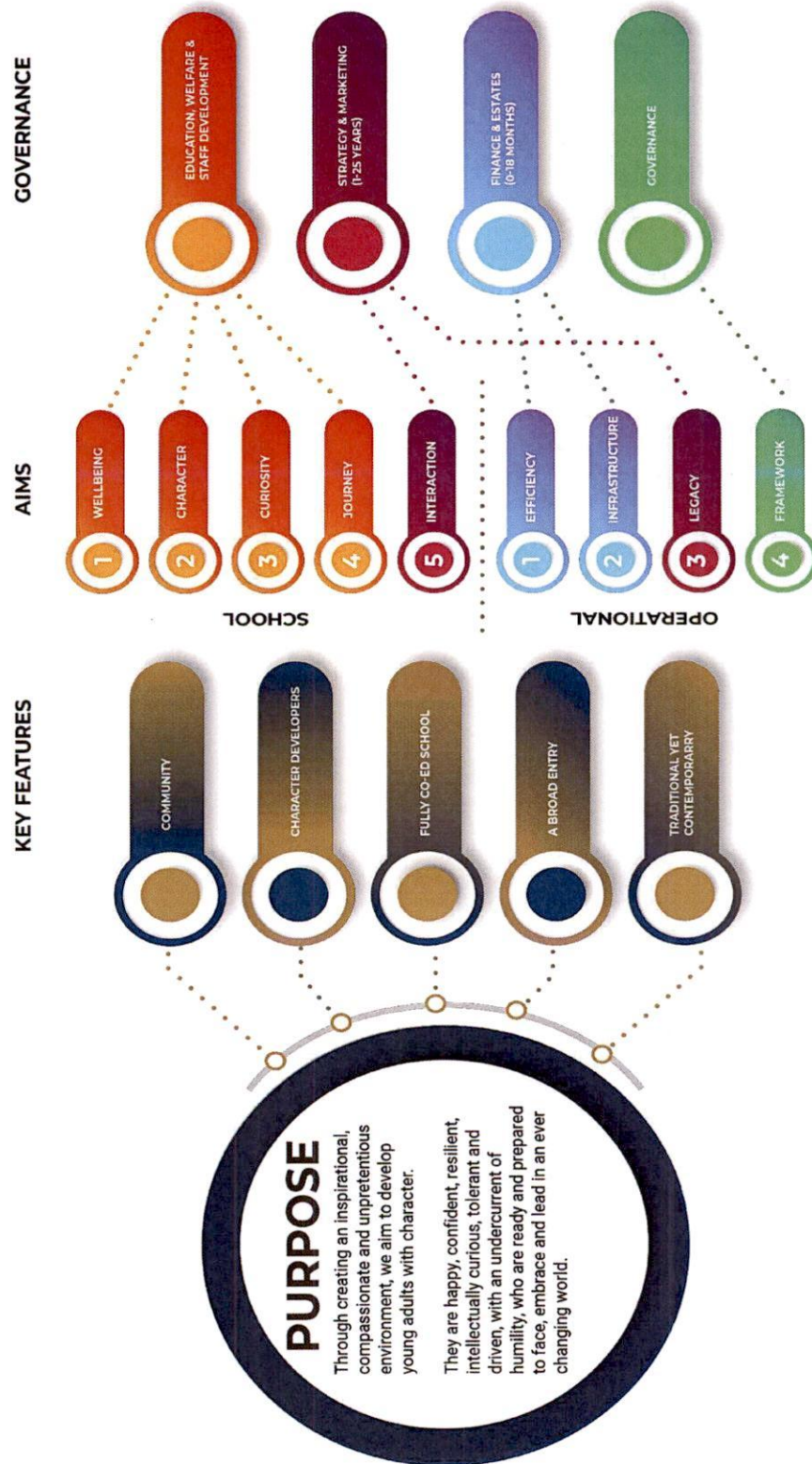
- **Efficiency** - *We aim to ensure the smooth day to day financing and running of the School, with the overall objective of ensuring the School operates within prudent financial parameters.*
- **Infrastructure** - *We aim to ensure the upkeep, safety and appropriateness of the facilities and to ensure that those individuals working at the School are high quality, strongly performing individuals.*
- **Legacy** - *We aim to establish and maintain a strong alumni network; to plan and prepare for the next generations of Barnardians, looking at future capital projects as well as scholarship and bursary funding which will see the School go from strength to strength.*
- **Framework** - *We aim to ensure that the School is compliant with all relevant laws and regulations, and to mitigate risk.*

# BARNARD CASTLE SCHOOL

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## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Governance responsibilities for delivering the School's Strategic Plan





**BARNARD CASTLE SCHOOL**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic Report**

**Review of the Year**



The School is committed to safeguarding and promoting the welfare of its pupils and staff and expects all those involved with the School to share this commitment. This undertaking has never been as important as it has been over the last 18 months through the passage of the various waves of the COVID-19 Pandemic. The various wellbeing initiatives and programmes had to be flexed to work alongside significant structural changes which had to be made to allow the pupils as much "normality" as possible. Highlights of the year were:

- The Barney Burrow went online – a listening hub for Prep School children to speak to U6th students regarding any worries or concerns that they may have.
- Parents continued to access Parents' Pastoral Forums albeit in virtual Webinars which deal with relevant issues such as Mental Health and Drugs Awareness.
- The Anti-Bullying Ambassadors and Peer Supporters programmes flourished with pupils taking the lead in assemblies and events.
- Pupils were rewarded for their passion in promoting a positive message of diversity across the School with Pearson Publishing Company selecting the School to be a "Lit in Colour Pioneer" in recognition of its commitment to a diverse curriculum.
- The ISAMS Wellbeing Manager is now firmly established across the whole School.
- Assemblies continue to provide a platform for reinforcing pastoral messages and the Barney ethos and culture. Topics have included Online Safety and the Digital Footprint, Peer Support, Sexual Harassment, the Sarah Everard tragedy, Suicide Awareness and Being Yourself.
- Prep School ran a series of awareness weeks – Mental Health, Wellbeing and Diversity.

At the heart of every education is a healthy staff body who strive to achieve the best for their pupils as a result of an appropriate work/life balance. Where possible, external support was acquired and alterations were made to staff duties to allow them the time, opportunity and resources to perform in this ever-changing world of education.

**Boarding**

During the year an extensive programme was undertaken which not only enhanced the existing Boarding Houses, and in particular their social spaces, but also involved the creation of additional bed capacity.

The Boarding Houses have remained open continuously to pupils since August 2020 through 5 separate school holidays, allowing international pupils to stay at Barney instead of travelling home through the Pandemic. Twelve international boarders spent their Christmas holidays at School, complete with tree, turkey and presents.

All of this involved a monumental effort on behalf of the Boarding and Support Staff and one member of staff was named as a finalist in the BSA's Boarding Awards' Stephen Wrinkley Award which commends the achievements of an individual who has made a significant contribution to the cause of boarding.

**Day Houses**

At the start of Michaelmas Term, a marquee was erected as a social space for Year 7-11 pupils allowing them to socialise safely in their breaks and after lessons. The decision was taken to refurbish the Day Houses and transform them into large, open spaces allowing the pupils to socialise safely indoors within their Year Group bubbles during the second half of the term as the weather became colder and darker.

## **BARNARD CASTLE SCHOOL**

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### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021**

#### **Strategic Report (continued) Review of the Year (continued)**



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

#### **Activity Programme and House Activities**

The Activity Programme and House Activities are an important part of a Barney education and all pupils throughout the School are encouraged to take part in the excellent array of activities on offer which include CCF, DofE, sport, music, singing, horse riding, art and debating, to name but a few. Participation in these activities is seen to be a core requirement for all pupils allowing them to develop their character and learn new skills. This ethos was unaffected by the Pandemic with the activation in Lent Term of the Learning@Home programme, accompanied by a range of activities specifically designed to be undertaken at home.

House activities continued throughout the year with house points available for every single competition, contributing towards an overall end of term victor for each of the School Houses. An adapted whole School Barney Run took place in Michaelmas Term.

#### **Charity**

The School continues to promote and support a number of charitable organisations with the School undertaking a variety of fundraising activities. Our charity partners continue to be grateful for the continued support of the School's pupils and their families and friends. This year has been more challenging for our charitable activities due to the COVID restrictions; however, the pupils have still managed to support the following charities:

- The School's Charity Committee raised over £7,000 for masks to be made in Kenya. This made national news in Kenya.
- The School donated 17 laptops to a Darlington Academy to assist those Year 7 students who were unable to access work because they did not have such a device.
- Years 9/10 and Sixth Form students produced an anthology and artwork as part of the Douglas Pittuck mural restoration in St Mary's parish hall, Barnard Castle.
- Prep School held a French Café morning for Macmillan, provided gifts for Safe Families for Children at Christmas Time and supported a variety of charities, including Red Nose Day.
- £1,000 was raised for the charity WeCare Worldwide, a charity set up by a former pupil which provides veterinary facilities to abandoned dogs in Sri Lanka.
- Donations were made to Young Minds, Mary's Meals, the Royal Agricultural Benevolent Institution, the Alzheimer's Society, Brain Tumour Research, the Woodland Trust, and Comic Relief.



## **BARNARD CASTLE SCHOOL**

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### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021**

#### **Strategic Report (continued) Review of the Year (continued)**

#### **Combined Cadet Force (CCF)**

The School is rightly proud of its CCF programme with a cadet strength of 150 Army and 22 RAF cadets.

The year started with a new School Staff Instructor (SSI) and saw an exceptionally busy Michaelmas Term:

- 56 Year 10 cadets successfully passing their weapon handling tests and drill cadre.
- 58 Year 10 cadets being awarded their half star badges.
- 22 Year 11 cadets being awarded their first star badge for completing their basic cadet syllabus.
- 15 Year 11 cadets attended a "super camp" which was delivered by the Regular Army.
- 12 members of the 6<sup>th</sup> form gained an insight into officer training and the Officer's Training Corps, which was delivered by the Regular Army.
- 8 senior cadets successfully achieved their instructional technique qualification which gives them the skills required to teach the younger cadets.
- 14 members of L6th successfully completed a Level 2BTEC Qualification in Teamwork and Personal Development in the Community.
- 2 cadets completed a 4-day STEM camp in the half term holidays.
- 2 cadets received the highest award within the CCF, that of Master Cadet.

Despite the re-introduction of home learning at the start of Lent Term, the School continued to train virtually throughout the lockdown – being one of only two schools of the thirty three CCF contingents in Four Brigade, doing so. Cadets continued to progress, successfully completing a number of examinations and gaining promotion. In addition, all cadets were certified as St John's Ambulance KS4 First Aiders. Cadets competed in the Army Cadets Sports Running Competition, took part in the Great Tommy Sleepout camping out in the School grounds to raise awareness of the homelessness of ex-servicemen and women, and completed the March into March, a 10-mile challenge for the veterans' mental health charity, Army Cadets Healthy Minds and Combat Stress.

The most memorable success of the Lent Term, however, must go to three cadets who have been appointed as Her Majesty's Lord Lieutenant's Cadets and whose duties include:

- Meeting members of the Royal Family when they formally visit the County.
- Presenting medals and awards on behalf of the Queen.

Trinity Term welcomed 54 new recruits from Year 9. Cadets represented Four Brigade in the 10km virtual running challenge and took part in the Army Cadet 70km virtual cycle challenge. As part of the Mind, Body and Soul Programme, 50 Year 8's paraded each Tuesday and took part in various tasks with a view to enrolling in the CCF at the end of the year. 38 Cadets attended the 2-day summer camp at Catterick at the end of term.

Finally, for the Queen's Birthday Honours List, a member of Staff was nominated for an Army Commendation and the SSI was nominated for a State honour, in recognition of their exceptional contribution to the CCF during the COVID-19 pandemic.

#### **Duke of Edinburgh Award**

Participation in the Duke of Edinburgh programme continues to be very popular with pupils. Despite the restriction on activities due to the Pandemic, a total of 123 active participants were involved in the programme undertaking gold and silver awards. A fast-track training and assessment approach towards the end of the academic year, enabled 49 participants to complete their assessed expedition in June 2021 (8 gold and 41 silver).



## **BARNARD CASTLE SCHOOL**

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### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021**

#### **Strategic Report (continued) Review of the Year (continued)**

##### **Sport**

The School continues to provide pupils with a huge range of sporting opportunities. Again, the Pandemic cut short both the actual time at School and also the number of opportunities for inter-school competitions. Inter-school competitions were swapped for inter-house matches and training continued unabated, ensuring that pupils were ready as and when the restrictions are lifted. However, 2020/21 still provided the following highlights:

- **Cricket**
  - The year has seen phenomenal growth in girls' cricket in both Prep and Senior School
  - 2 U15 players and 1 U14 player represented the County
- **Rugby**
  - Inter-House competitions were held for all age groups including the 6<sup>th</sup> Form Touch Rugby tournament
  - Jon Pendlebury, England U18 Coach, visited the School and conducted a live lesson
  - An U16 former was selected in the initial England U18 squad and subsequently a L6th player was added to the extended national training squad
  - 7 players represented Newcastle Falcons U18
  - 3 players are currently involved with the Falcons' U16 squad
- **Hockey**
  - The new Sports Graduate is a Welsh international hockey player
  - An U16 player continues to be involved in the England Hockey Performance Pathway
  - 19 players represent the County
- **Netball**
  - The continued partnership with Leeds Rhinos Netball has enabled pupils to access extra coaching
  - A L6th girl was selected for Leeds Rhinos, as well as representing both the North East and Durham County
- **Athletics**
  - A pupil continues to be selected for GB training camps and competes at a national level
- **Equestrian**
  - A pupil was invited to attend an U20 GB training camp.

##### **Societies**

Exploring interests beyond the curriculum is important and student-run societies are encouraged and supported by staff where needed. Societies now include MedSoc, Lawsoc, Debating Society, Egalitarian Society, the Oxbridge Corner, MathsSoc, History Society and Economics Society.

A brilliant series of performances at the Debating Matters Public Policy Championship culminated in victory for the School as overall Winner and Best Individual Speaker. It was an excellent series of debates over one week covering a diverse range of topics ranging from the benefits of vaccine passports to whether monuments to controversial figures should be pulled down.

Maths continues to thrive with pupils achieving success with prizes and certificates in the United Kingdom Mathematics Trust (UKMT), and accreditations and internal awards in the Newcastle University Maths Challenge.

**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**  
**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic Report (continued)**  
**Review of the Year (continued)**

**Drama**

The Drama department continued to flourish, rehearsing a number of different productions and performing to audiences whenever restrictions allowed.

All Prep School pupils performed in the Nativity, the Christingle and Carol Services and the House Pantomime Drama and all of which were shared in a virtual format due to visitor restrictions.

Michaelmas Term saw the Drama department rehearse for "Nunsense" only to find that the performance had to be cancelled due to COVID restrictions. In the Trinity Term, however, a cast of over 40 rehearsed for and performed in the High School Musical; unfortunately, this was also affected by restrictions. A small cast of 4 performed "Last Quiz Night on Earth" at a charity event.

**Music**

The Music department continued to run a full ensemble programme, with choirs and bands for each year group bubble, switching to an online programme in the Lent Term. As the weather improved in the Trinity Term, concerts often took place outdoors.

In the Michaelmas Term, a professional vocal quintet called Catching Voices, ran workshops with the School choirs, culminating in a Lunchtime Concert. Various ensembles and soloists recorded a Winter Concert for YouTube and a professional video was made of the annual Carol Service for all to appreciate. YouTube productions continued in the Lent Term with pupils organising a "Concert for Kenya" featuring current pupils and Old Barnardians, raising over £400 for the charity.

Two pupils won Best Overall Instrumentalist and Best Overall Singer in both the local and regional Rotary Young Musician of the Year competitions. Another pupil has successfully auditioned for a place at the prestigious Samling Academy for emerging young singers.

Trinity Term saw a 100% pass rate for pupils taking the ABRSM exams and composer Jacob Ewens arranged a piece of music especially for the Junior Choir who duly performed the "Wild Mountain Thyme" at Junior Arts Evening. Prep School continued to hold their immensely popular "Have a Go Concert" virtually. The Term ended with a series of live outdoor concerts ranging from a performance at Ushaw House and Gardens in Durham, to supporting pupils at Sports Day.



The School provides and develops an environment where intellectual curiosity and independence can thrive. IT is now firmly embedded into the life of each member of School, allowing not only for a much greater level of independence and inquisitiveness but also for education to continue irrespective of the Pandemic restrictions placed on the School. Where necessary, students have been encouraged to work outside, trusting them to utilise their time and manage their workload independently.

Public examinations were once again cancelled and replaced with individual assessments of pupils by teachers with a range of supporting evidence. This placed an extraordinary burden on the staff who have had to accommodate this requirement within their normal teaching commitments. The dedication and hard work of both pupils and staff were rewarded with, yet again, another excellent set of results which were not altered in the external moderation process. A 100% pass rate was achieved in all external exams. GCSE's saw a 25% increase in the top two grades and A-levels saw another overall rise in grades with the highest A\* percentage to date.



## BARNARD CASTLE SCHOOL

(A Company Limited by Guarantee)

### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

#### Strategic Report (continued) Review of the Year (continued)



Central to the aims of the School is the provision of a seamless and coherent journey from Reception through to the end of Sixth Form. Each pupil's "journey" will show how they develop the various aspects of School life - academically, athletically, socially etc. – and allow staff to cater appropriately for each child. This strong sense of cohesion is invaluable as the Prep and Senior School continue to work together to overcome the educational and practical challenges caused by the pandemic.

Although Pandemic restrictions clearly had an impact on the ability of pupils to mix and work with each other, wherever possible, the opportunity was taken to bring the whole school together, albeit often outside in the School grounds, and in year group bubbles. Such opportunities have included:

- a whole school Barney Run.
- all pupils marked Remembrance Day, outside on the playing fields.
- all Senior pupils attended a "Nailing Up" ceremony which was conducted outside.



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

Oxford Economics and Independent School Council Research undertook an assessment which showed that the School's contribution to national GDP in the financial year 2017/18 was £14m, including the provision of an £8m contribution to County Durham's GDP. The analysis also concluded that the total UK Tax payments supported by the School's activities amounted to £4.1m and the saving to the UK taxpayer derived from the School's pupil attendance was £3.7m. The School employs 199 staff in Barnard Castle and it is estimated that the School's activities support about 340 individuals in total. The Governors believe that this assessment remains valid and it is likely that the School's contribution to both the national and local economies has increased as a result of the increase in student numbers.

#### Transformational Bursaries and Scholarships

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

While the School does not have the benefit of a strong financial endowment, the School continues to support a number of pupils through Bursaries and Scholarships. Parents are encouraged to apply for Bursaries, which are awarded based on a fair and rigorous means testing process; the means assessment is revisited each year. As a result, 56 pupils received means-tested assistance with fees this year (equivalent to 33 full places). Financial assistance and educational extension opportunities were also awarded to a number of pupils who successfully gained places on the Scholarship Programme (112 in the current year).

HMC Projects gives students from Central and Eastern Europe an unparalleled opportunity to study for two years in a British School. The School is proud to be a part of this initiative and supports two pupils, one in L6 and one in U6.

The School has continued to support Darlington Borough Council and its Virtual School programme which seeks to maximise the potential of children in difficult circumstances, by providing financially supported places to two such children.

## **BARNARD CASTLE SCHOOL**

**(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021**

#### **Strategic Report (continued) Review of the Year (continued)**

##### **Admissions & Marketing**

The Admissions department has continued to successfully market the School and raise its profile by engaging with both domestic and international partners. This, together with its successful Learning@Home programme, has allowed the School to continue to grow its pupil numbers; this led to a healthy increase in September 2020.

##### **Educational, Sport and Welfare Community Support**

A core principle of the School is the belief that it has a duty to support the local community wherever it is realistic to do so. Pandemic restrictions have meant that opportunities to provide such support have been more limited than usual. However, whenever possible, the School has continued to provide facilities and support to a number of different organisations including:

- **Use of the School's playing fields:**
  - various local maintained and independent schools
  - Barnard Castle Hockey Club
  - Barnard Castle Junior Hockey Club
  - Durham Army Cadet Force
  - Tri-Service Cadet Adventure Training Group
  - Bowes Football Club
  - Barnard Castle Rugby Club
  - Durham County Hockey
  - Raby Cricket Club
  - Barnard Castle Cricket Club
  - Barnard Castle Football Club
  - GSK Squash Club
  - Zetland Pony Club
- **Professional development:**
  - Hosting professional development opportunities for teachers and support staff from other schools.
  - Hosting masterclasses and the provision of UCAS advice and interview experience for candidates from local maintained schools.
  - Governors and staff serve on the Governing Bodies of various maintained schools.
  - The School provides a large number of examiners to the main examination boards and one of its Heads of Departments advises Durham University on PGCE applicants.
- **Hosting events:**
  - Teesdale Primary Schools' Cross-country Competition.
  - Activity Weeks open to the whole community.
  - The School's Chaplain is part of the local chapter of clergy. Chapel services are open to everyone and the Christmas Festival of Nine Lessons and Carols is particularly popular with local visitors.
- **Use of the School's facilities:**
  - Duke of Edinburgh's Award local assessors use the School as a meeting place for coordination and planning.
  - "Clique", a local charity, holds its annual fundraising dinner in the School.
  - The Rotary Club use the auditorium for charity lectures.
  - Barnard Castle School Choral Society use the Chapel.
  - The Chapel is available for use by the community and visitors are encouraged on Heritage Open Days.
  - The School makes additional parking available without charge to the Bowes Museum on busy occasions and for special exhibitions. Further, the School is a designated place of safety for the Bowes Museum's collection of art and artefacts.
  - The School's playing fields are used as landing zones for helicopters carrying members of the Royal family and other dignitaries to local engagements.



**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**  
**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic Report (continued)**



**Financial Review**

The Pandemic not only had an impact on the day-to-day activities of the School but also on its financial results. Income was adversely affected as international students were unable to access the full boarding experience and restrictions limited the Summer activity programme. In addition, the decision was taken to freeze fees for the entirety of the Academic Year in recognition of the potential economic impact of the Pandemic on parents and other fee-payers. The costs of running a COVID-secure School have been significant but were essential to allow for the continuity of education in a safe environment for the whole School community. The significant investment in the IT infrastructure in 2020 provided the staff with the resources and connectivity to transition from classroom to home learning without interruption in the education. In addition to the day-to-day resource costs required for the protective measures in place for a community of nearly 900, the house/pastoral spaces had to be developed to allow for large bubble groups to socialise.

As a result of the above, the School made an operating loss of £354,609 before pension adjustments (2020: loss of £707,691). Included within these figures was an actuarial gain on investments of £101,243 (2020: loss of £9,668). The Fund Actuary for the Durham County Council Defined Benefit Pension Scheme reported a pension asset as at 31 August 2021, however, the Trustees agreed that it would not be prudent to reflect this in the financial statements and a nil value was reported. The impact of this was the generation of an actuarial gain in the year of £960,000 (2020: loss of £280,000), resulting in an overall net surplus for the year of £605,391 (2020: loss of £987,691).

The net assets of the School at the balance sheet date were £ 8,591,874 (2020: £7,986,483). Fixed asset additions amounted to £ 741,968 in the year. The School applied for CBILS loan funding of £1,850,000 in the year ended 31<sup>st</sup> August 2020 to support the School as it emerged from the impact of the Pandemic. This funding was received in November 2021.

**Reserves Policy**

The policy of the School is to achieve an annual operating surplus which secures its future financial viability and allows continued investment in its infrastructure. As at 31 August 2021, the School held fund balances of £8,591,874 comprising £7,801,041 unrestricted funds, £744,958 restricted funds and £45,875 endowment funds.

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

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

**Investment Policy**

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

## **BARNARD CASTLE SCHOOL**

**(A Company Limited by Guarantee)**

### **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021**

#### **Strategic Report (continued) Financial Review (continued)**

##### **Principal Risks and Uncertainties**

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

The Governors and staff continued to take the Pandemic in their stride implementing the procedures and controls necessary to secure the financial stability of the School and to ensure that the education of the pupils continued uninterrupted.

##### **Estate Development**

The Governors continue to invest in maintaining and developing the fabric of the School.

During the year, significant investment was made in pastoral and boarding spaces in Senior School. The Day Houses were reconfigured and refurbished to support the protective measure of year group bubbles required by Government regulation through the course of the year. The investment of £73,756 in this reconfiguration exercise also represents the first phase of the planned pastoral space restructuring.

With the continued growth and demand for boarding, Longfield House underwent a major refurbishment in the Trinity Term at a cost of £221,807. This created an additional 7 beds and significantly upgraded the bedroom and social spaces for the Senior girls' boarding house. The social spaces in Senior boys' boarding were extended to create the additional space required for the increased numbers of boys boarding.

##### **Plans for Future Periods**

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



##### **School's Alumni**

The relationship with the School's alumni remains healthy and vibrant; the Old Barnardians' Club is now in its 125<sup>th</sup> year. Members of the OB community, which boasts over 5,000 members, continued to support each other as the Pandemic made its presence felt.

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

Circumstances have once again made it very difficult to organise events and physically get together. However, OBs are in contact virtually and are always welcome to visit at any time, and many support the School in different ways, such as through the Lecture Series.

Over the last two financial periods, the School has been fortunate to receive a number of significant legacies from OBs. Such generous legacies allow the School to accelerate its investment program.



**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**  
**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, Governance and Management**



**Independent Schools Inspectorate**

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

**Governing Document**

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

**The Governing Body**

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

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

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

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

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

**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**  
**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, Governance and Management (continued)**

**Organisational Management**

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

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

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

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

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

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

**Risk Management**

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

As identified within this Report, the response of the School to the recent pandemic, has provided a level of assurance that the approach taken to risk management is both sound and effective.

**Pay Policy for Senior Staff**

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



**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Disclosure of information to auditors**

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

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

**Auditors**

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

Approved by order of the members of the Board of Governors on .....20 May 2022..... and signed on their behalf by:

**Mrs C J Sunley**  
Chair



**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

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

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

In so far as the Governors are aware:

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

Approved by order of the members of the Board of Governors on .....20 May 2022..... and signed on its behalf by:



**Mrs C J Sunley**  
Chair

**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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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



**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**

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

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of Governors**

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

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

**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**

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

**Our responsibilities for the audit of the financial statements**

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

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

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

- Understanding the key legal and regulatory frameworks that are applicable to the trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of Governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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: 

**BARNARD CASTLE SCHOOL**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income and endowments from:</b>						
Donations and legacies	3	114,838	-	-	114,838	115,493
Charitable activities:	6					
School fees		10,341,461	-	-	10,341,461	9,743,036
Other income		60,087	-	-	60,087	24,809
Cost of providing school buses		(111,090)	-	-	(111,090)	(18,719)
Remissions		(1,232,081)	(14,202)	-	(1,246,283)	(1,887,651)
Other trading activities	4	85,040	-	-	85,040	2,369
Investments	5	1,544	12,815	-	14,359	12,770
Government grants	7	34,552	-	-	34,552	487,482
<b>Total</b>		<b>9,294,351</b>	<b>(1,387)</b>	<b>-</b>	<b>9,292,964</b>	<b>8,479,589</b>
<b>Expenditure on:</b>						
Raising funds	8	85,751	3,969	-	89,720	4,029
Charitable activities:						
Welfare		787,397	-	-	787,397	720,571
Premises		2,490,955	-	-	2,490,955	2,159,080
Teaching		5,543,638	-	-	5,543,638	5,408,564
Other charitable activities		831,759	5,347	-	837,106	885,368
<b>Total</b>		<b>9,739,500</b>	<b>9,316</b>	<b>-</b>	<b>9,748,816</b>	<b>9,177,612</b>
<b>Net expenditure before net gains/(losses) on investments</b>		<b>(445,149)</b>	<b>(10,703)</b>	<b>-</b>	<b>(455,852)</b>	<b>(698,023)</b>
Net gains/(losses) on investments		-	101,243	-	101,243	(9,668)
<b>Net income/(expenditure)</b>		<b>(445,149)</b>	<b>90,540</b>	<b>-</b>	<b>(354,609)</b>	<b>(707,691)</b>
Transfers between funds	23	14,202	(14,202)	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(430,947)</b>	<b>76,338</b>	<b>-</b>	<b>(354,609)</b>	<b>(707,691)</b>
<b>Other recognised gains/(losses):</b>						

**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
Actuarial gains/(losses) on defined benefit pension scheme	28	960,000	-	-	960,000	(280,000)
<b>Net movement in funds</b>		<u>529,053</u>	<u>76,338</u>	<u>-</u>	<u>605,391</u>	<u>(987,691)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		7,271,988	668,620	45,875	7,986,483	8,974,174
Net movement in funds		529,053	76,338	-	605,391	(987,691)
<b>Total funds carried forward</b>		<u>7,801,041</u>	<u>744,958</u>	<u>45,875</u>	<u>8,591,874</u>	<u>7,986,483</u>

The notes on pages 29 to 54 form part of these financial statements.



**BARNARD CASTLE SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 06596258 (England and Wales)**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	7,957	690
Tangible assets	14	10,262,525	10,306,653
Investments	15	638,493	530,786
		<u>10,908,975</u>	<u>10,838,129</u>
<b>Current assets</b>			
Stocks	16	70,268	81,385
Debtors	17	586,357	532,612
Cash at bank and in hand		1,819,912	1,031,353
		<u>2,476,537</u>	<u>1,645,350</u>
Creditors: amounts falling due within one year	18	(2,420,361)	(2,832,223)
<b>Net current assets / liabilities</b>		<u>56,176</u>	<u>(1,186,873)</u>
<b>Total assets less current liabilities</b>		<u>10,965,151</u>	<u>9,651,256</u>
Creditors: amounts falling due after more than one year	19	(2,373,277)	(724,773)
<b>Net assets excluding pension asset / liability</b>		<u>8,591,874</u>	<u>8,926,483</u>
Defined benefit pension scheme asset / liability	28	-	(940,000)
<b>Total net assets</b>		<u><u>8,591,874</u></u>	<u><u>7,986,483</u></u>
<b>Charity funds</b>			
Endowment funds	23	45,875	45,875
Restricted funds	23	744,958	668,620
Unrestricted funds	23	7,801,041	7,271,988
<b>Total funds</b>		<u><u>8,591,874</u></u>	<u><u>7,986,483</u></u>

The financial statements were approved and authorised for issue by the Governors on 20 May 2022 and signed on their behalf by:

  
**Mrs C J Sunley**  
 Chair

**BARNARD CASTLE SCHOOL**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	25	(165,383)	1,142,047
<b>Cash flows from investing activities</b>			
Proceeds from the disposal of tangible fixed assets		621	-
Purchase of intangible assets		(8,800)	-
Purchase of tangible fixed assets		(741,968)	(640,852)
Proceeds from sale of investments		98,473	51,134
Purchase of investments		(104,937)	(52,694)
Dividend income		12,815	5,828
Interest received		1,544	6,942
<b>Net cash used in investing activities</b>		(742,252)	(629,642)
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		1,850,000	-
Loan repayments in year		(49,226)	(49,381)
Capital repayments in year		(104,580)	(52,622)
<b>Net cash provided by/(used in) financing activities</b>		1,696,194	(102,003)
<b>Change in cash and cash equivalents in the year</b>		788,559	410,402
Cash and cash equivalents at the beginning of the year		1,031,353	620,951
<b>Cash and cash equivalents at the end of the year</b>	26	1,819,912	1,031,353

The notes on pages 29 to 54 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 2021**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

There were no material departures from the standards.

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

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

The financial statements are reported in £ sterling.

**1.2 Income**

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

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

**1.3 Expenditure**

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

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

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



**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.3 Expenditure (continued)**

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

**1.4 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

**1.5 Tangible fixed assets and depreciation**

No depreciation is provided on freehold land.

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

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

**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.6 Intangible assets and amortisation**

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

Computer Software	- 25 %
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**1.7 Stocks**

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

**1.8 Taxation**

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

**1.9 Fund accounting**

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

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

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

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

**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.10 Pensions**

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

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

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

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

The actuary has undertaken a valuation of the LGPS as at 31 August 2021 which shows an asset of £370,000. In accordance with 28.22 of FRS102 as the Charity will not benefit from either reduced contribution rates in the future nor a refund from the scheme the asset is not recognised within these financial statements.

**1.11 Investments**

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

**1.12 Provisions**

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

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

**1.13 Operating leases**

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



**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.14 Financial instruments**

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

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

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

**1.15 Hire purchase and leasing commitments**

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

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

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined by the scheme actuaries using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact on the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Bad debt provision - There are two provisions included within the financial statements; full provision and partial provision. The full provision provides for 100% of balances that are not considered to be recoverable. The partial provision provides for 25% of balances that are doubtful debts. The total bad debt provision within the financial statements is £150,915.

**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**3. Income from donations and legacies**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	91,948	91,948	109,993
Legacies	22,890	22,890	5,500
<b>Total 2021</b>	<u>114,838</u>	<u>114,838</u>	<u>115,493</u>
Total 2020	<u>115,493</u>	<u>115,493</u>	

**4. Income from other trading activities**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings and event income	85,040	85,040	2,369
<b>Total 2021</b>	<u>85,040</u>	<u>85,040</u>	<u>2,369</u>
Total 2020	<u>2,369</u>	<u>2,369</u>	

**5. Investment income**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income from listed investments	-	12,815	12,815	5,828
Deposit account interest	1,544	-	1,544	6,942
<b>Total 2021</b>	<u>1,544</u>	<u>12,815</u>	<u>14,359</u>	<u>12,770</u>
Total 2020	<u>6,942</u>	<u>5,828</u>	<u>12,770</u>	



**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Income from charitable activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
School fees	10,341,461	-	10,341,461	9,743,036
Other Income	60,087	-	60,087	24,809
Cost of providing school buses	(111,090)	-	(111,090)	(18,719)
Remissions	(1,232,081)	(14,202)	(1,246,283)	(1,887,651)
	<u>9,058,377</u>	<u>(14,202)</u>	<u>9,044,175</u>	<u>7,861,475</u>
Total 2020	<u>7,874,493</u>	<u>(13,018)</u>	<u>7,861,475</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 £34,334 (2020: £935,696).

**7. Government grants**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Coronavirus Job Retention Scheme grants	<u>34,552</u>	<u>34,552</u>	<u>487,482</u>
Total 2020	<u>487,482</u>	<u>487,482</u>	

**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**8. Raising funds**

**Other trading activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings and event costs	85,751	-	85,751	530
Investment management fees	-	3,969	3,969	3,499
	<u>85,751</u>	<u>3,969</u>	<u>89,720</u>	<u>4,029</u>
Total 2020	<u>530</u>	<u>3,499</u>	<u>4,029</u>	

**9. Analysis of charitable expenditure by activities**

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Teaching	5,459,776	83,862	5,543,638	5,408,564
Premises	1,703,947	787,008	2,490,955	2,159,080
Welfare	787,397	-	787,397	720,571
Other	785,377	51,729	837,106	885,368
	<u>8,736,497</u>	<u>922,599</u>	<u>9,659,096</u>	<u>9,173,583</u>
Total 2020	<u>8,300,241</u>	<u>873,342</u>	<u>9,173,583</u>	

In 2021 of the total charitable expenditure of £9,659,096 (2020: £9,173,583), £9,653,749 (2020: £9,168,236) was to unrestricted funds, £5,347 (2020: £5,347) was to restricted funds and £- (2020: £-) was to endowment funds.

**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

**Analysis of direct costs**

	Teaching 2021 £	Premises 2021 £	Welfare 2021 £	Other 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	-	-	-	10,000	10,000	10,000
Staff costs	5,119,283	750,335	470,404	497,108	6,837,130	6,629,506
Teaching resources	143,096	-	-	-	143,096	177,540
Premises and grounds	-	88,469	-	-	88,469	67,808
Rates	-	68,644	-	-	68,644	67,264
Insurance	17,320	76,046	-	-	93,366	89,026
Light, heat and water	-	226,086	-	-	226,086	227,748
Other teaching costs	148,892	-	-	-	148,892	132,281
Travel	31,185	-	50	-	31,235	73,065
Catering	-	-	306,036	-	306,036	249,019
Laundry	-	-	2,018	-	2,018	7,430
Nursing	-	-	8,889	-	8,889	7,861
Cleaning	-	194,762	-	-	194,762	78,539
Maintenance	-	299,605	-	-	299,605	199,791
Marketing and development	-	-	-	73,430	73,430	78,306
IT costs	-	-	-	86,176	86,176	83,750
Administration	-	-	-	78,278	78,278	81,464
Recruitment	-	-	-	18,284	18,284	14,867
Bad debts	-	-	-	22,101	22,101	24,976
	<u>5,459,776</u>	<u>1,703,947</u>	<u>787,397</u>	<u>785,377</u>	<u>8,736,497</u>	<u>8,300,241</u>
Total 2020	<u>5,339,017</u>	<u>1,415,158</u>	<u>720,571</u>	<u>825,495</u>	<u>8,300,241</u>	



**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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

**Analysis of support costs**

	Governance 2021 £	Premises 2021 £	Finance 2021 £	Total funds 2021 £	Total funds 2020 £
Depreciation and amortisation	-	741,840	-	741,840	711,932
Loss/(profit) on disposal of assets	-	45,168	-	45,168	31,990
Bank charges	-	-	12,966	12,966	25,679
Bank interest	-	-	7,672	7,672	7,323
Leasing interest	-	-	23,851	23,851	26,871
Interest paid to HMRC	-	-	7,240	7,240	-
Governance costs	83,862	-	-	83,862	69,547
	<u>83,862</u>	<u>787,008</u>	<u>51,729</u>	<u>922,599</u>	<u>873,342</u>
Total 2020	<u>69,547</u>	<u>743,922</u>	<u>59,873</u>	<u>873,342</u>	

**10. Net income/(expenditure)**

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

	2021 £	2020 £
Auditors' remuneration	11,000	10,500
Depreciation - owned assets	690,641	658,441
Depreciation - assets on finance lease	49,666	49,666
Deficit on disposal of fixed assets	45,168	31,990
Computer software amortisation	1,533	3,825
Operating lease payments	<u>75,923</u>	<u>76,412</u>

**11. Governors' remuneration and benefits**

During the year, no Governor received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Governors (2020 - £1,328 to 3 Governors). Expenses reimbursed in the prior year relate to travel costs incurred.

**BARNARD CASTLE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**12. Staff costs**

	2021 £	2020 £
Wages and salaries	5,295,948	5,142,832
Social security costs	503,888	477,401
Other pension costs	1,037,294	1,009,273
	<u>6,837,130</u>	<u>6,629,506</u>

Included in other pension costs is a credit of £20,000 (2020: £70,000 credit) relating to the pension deficit actuarial adjustment.

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

	2021 No.	2020 No.
Teaching	108	117
Support	17	18
Welfare	29	28
Premises	37	37
	<u>191</u>	<u>200</u>

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1

Pension contributions of £60,529 (2020: £44,674) were made to defined benefit and contribution schemes on behalf of these employees.

The total amount of employee remuneration and benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the School was £633,779 (2020: £662,643).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**13. Intangible assets**

	Computer software £
<b>Cost</b>	
At 1 September 2020	35,334
Additions	8,800
At 31 August 2021	<u>44,134</u>
<b>Amortisation</b>	
At 1 September 2020	34,644
Charge for the year	1,533
At 31 August 2021	<u>36,177</u>
<b>Net book value</b>	
At 31 August 2021	<u><u>7,957</u></u>
At 31 August 2020	<u><u>690</u></u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**14. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 September 2020	14,119,100	1,015,714	2,178,940	18,621	757,799	18,090,174
Additions	580,671	-	112,832	-	48,465	741,968
Disposals	(488,359)	-	(435,731)	-	-	(924,090)
At 31 August 2021	14,211,412	1,015,714	1,856,041	18,621	806,264	17,908,052
<b>Depreciation</b>						
At 1 September 2020	5,650,778	183,658	1,705,397	7,401	236,287	7,783,521
Charge for the year	414,704	50,786	119,888	4,655	150,274	740,307
On disposals	(442,570)	-	(435,731)	-	-	(878,301)
At 31 August 2021	5,622,912	234,444	1,389,554	12,056	386,561	7,645,527
<b>Net book value</b>						
At 31 August 2021	8,588,500	781,270	466,487	6,565	419,703	10,262,525
At 31 August 2020	8,468,322	832,056	473,543	11,220	521,512	10,306,653

Included in cost of freehold property is freehold land of £55,240 (2020: £55,240) which is not depreciated.

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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 2021 £	Plant and machinery 2020 £
<b>Cost</b>		
At 1 September	993,321	993,321
Additions	-	-
	<u>993,321</u>	<u>993,321</u>
<b>Depreciation</b>		
At 1 September	181,960	132,294
Charge for year	49,666	49,666
	<u>231,626</u>	<u>181,960</u>
<b>Net book value</b>		
At 31 August	<u>761,695</u>	<u>811,361</u>

**15. Fixed asset investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 September 2020	530,786
Additions	104,937
Disposals	(98,473)
Revaluations	101,243
At 31 August 2021	<u>638,493</u>
<b>Net book value</b>	
At 31 August 2021	638,493
At 31 August 2020	<u>530,786</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**16. Stocks**

	2021 £	2020 £
Stocks	70,268	81,385

**17. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	148,530	170,732
Other debtors	58	1,613
Prepayments and accrued income	437,769	360,267
	<u>586,357</u>	<u>532,612</u>

**18. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Bank loans and overdrafts (see note 19)	114,036	49,124
Trade creditors	455,355	715,327
Other taxation and social security	248,066	594,584
Finance lease (see note 20)	122,829	100,983
Other creditors	151,772	227,669
Accruals and deferred income	1,328,303	1,144,536
	<u>2,420,361</u>	<u>2,832,223</u>

	2021 £	2020 £
<b>Deferred income</b>		
Deferred income at 1 September 2020	1,075,026	1,313,752
Resources deferred during the year	1,282,439	1,075,026
Amounts released from previous periods	(1,075,026)	(1,313,752)
	<u>1,282,439</u>	<u>1,075,026</u>

Deferred income at the balance sheet date is in relation to monies received for school fees and courses in 2021 and beyond.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Bank loans (see note 20)	1,895,931	160,069
Finance lease (see note 21)	243,663	370,089
Other creditors	233,683	194,615
	<u>2,373,277</u>	<u>724,773</u>

**20. Loans**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand: Loans	114,036	49,124
Amounts falling between one and two years: Loans - 1-2 years	146,492	49,124
Amounts falling due between two and five years: Loans - 2-5 years	353,824	110,945
Amounts falling due in more than five years:  Repayable by instalments: Loans more 5 years	1,395,615	-

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

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

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**21. Leasing agreements**

	Finance lease 2020 £	2020 £
<b>Net obligations repayable:</b>		
Within one year	122,829	100,983
Between one and five years	243,663	370,089
In more than five years	-	-
	<u>366,492</u>	<u>471,072</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:

	2021 £	2020 £
Within one year	88,071	57,097
Between one and five years	107,028	67,581
	<u>195,099</u>	<u>124,678</u>

**22. Secured debts**

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	2,009,967	209,193
Finance leases	366,492	471,072
	<u>2,376,459</u>	<u>680,265</u>

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

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

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

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



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**23. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
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>
<b>Endowment funds</b>						
Foundation endowment	<u>45,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,875</u>
<b>Restricted funds</b>						
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>
<b>Total of funds</b>	<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>

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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.

**24. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

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

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**24. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	10,176,384	84,394	45,875	10,306,653
Intangible fixed assets	690	-	-	690
Fixed asset investments	-	530,786	-	530,786
Current assets	1,591,910	53,440	-	1,645,350
Creditors due within one year	(2,832,223)	-	-	(2,832,223)
Creditors due in more than one year	(724,773)	-	-	(724,773)
Provisions for liabilities and charges	(940,000)	-	-	(940,000)
<b>Total</b>	<b>7,271,988</b>	<b>668,620</b>	<b>45,875</b>	<b>7,986,483</b>

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(354,609)	(707,691)
<b>Adjustments for:</b>		
Depreciation charges	740,307	708,107
Amortisation charges	1,533	3,825
Gains/(losses) on investments	(101,243)	9,668
Dividends, interests and rents from investments	(1,544)	(6,942)
Loss on the sale of fixed assets	45,168	31,990
Decrease/(increase) in stocks	11,117	(12,437)
Decrease/(increase) in debtors	(53,745)	844,349
Increase/(decrease) in creditors	(459,552)	337,006
Dividend income	(12,815)	(5,828)
Pension Liability Adjustment	20,000	(60,000)
<b>Net cash (used in) / provided by operating activities</b>	<b>(165,383)</b>	<b>1,142,047</b>



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**26. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	1,819,912	1,031,353
<b>Total cash and cash equivalents</b>	<u>1,819,912</u>	<u>1,031,353</u>

**27. Analysis of changes in net debt**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,031,353	788,559	1,819,912
Debt due within 1 year	(49,124)	(64,912)	(114,036)
Debt due after 1 year	(160,069)	(1,735,862)	(1,895,931)
Finance leases	(471,072)	104,580	(366,492)
	<u>351,088</u>	<u>(907,635)</u>	<u>(556,547)</u>

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**28. Pension commitments**

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

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £825,077 (2020: £791,876).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with assets held in separate government-administered funds. The total employer's contributions for the year ended 31 August 2021 totalled £201,172 (2020: £210,843).

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**28. Pension commitments (continued)**

The actuary has undertaken a valuation of the LGPS as at 31 August 2021 which shows an asset of £370,000. In accordance with 28.22 of FRS102 as the Charity will not benefit from either reduced contribution rates in the future nor a refund from the scheme the asset is not recognised within these financial statements.

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

	At 31 August 2021 %	At 31 August 2020 %
Discount rate	1.7	1.6
Future salary increases	3.7	3.4
Future pension increases	2.7	2.4
CPI inflation	2.7	2.4
Pension accounts revaluation rate	2.7	2.4

	At 31 August 2021 Years	At 31 August 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	22.3	22.2
- at 65 for a male aged 45 now	23.3	23.2
- for a female aged 65 now	24.3	24.2
- at 65 for a female aged 45 now	25.8	25.7

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

	At 31 August 2021 £	At 31 August 2020 £
Equities	5,830,000	4,290,000
Property	640,000	620,000
Government bonds	1,590,000	2,070,000
Corporate bonds	1,780,000	1,270,000
Cash	450,000	420,000
<b>Total fair value of assets</b>	<b>10,290,000</b>	<b>8,670,000</b>

The actual return on scheme assets was £1,720,000 (2020 - £150,000).



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**28. Pension commitments (continued)**

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

	2021 £	2020 £
Current service cost	170,000	170,000
Interest income	(140,000)	(150,000)
Interest cost	150,000	160,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>180,000</u>	<u>180,000</u>

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

	2021 £	2020 £
Opening defined benefit obligation	9,610,000	9,200,000
Interest cost	150,000	160,000
Contributions by scheme participants	20,000	20,000
Actuarial losses	250,000	280,000
Benefits paid	(280,000)	(220,000)
Current service cost	170,000	170,000
<b>Closing defined benefit obligation</b>	<u>9,920,000</u>	<u>9,610,000</u>

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

	2021 £	2020 £
Opening fair value of scheme assets	8,670,000	8,480,000
Expected return on assets	140,000	150,000
Actuarial gains	1,210,000	-
Contributions by employer	160,000	240,000
Contributions by scheme participants	20,000	20,000
Benefits paid	(280,000)	(220,000)
<b>Closing fair value of scheme assets</b>	<u>9,920,000</u>	<u>8,670,000</u>

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**29. Related party transactions**

P D A Mothersill is a Trustee of The Bowes Museum. During the year purchases of £nil (2020: £191) were made for Museum visits and workshops, no amounts remain outstanding in trade creditors.

D C Osborne is a Director of Roman Ltd. During the year purchases of £1,600 (2020: £3,884) were made for Covid-19 safety screens. Balance outstanding in trade creditors at year end was £nil (2020: £3,884).

N P Hodges is a Director of The Witham Hall Ltd. During the year purchases of £nil (2020: £2,478) were made for workshops. Balance outstanding in trade creditors at year end was £nil (2020: £570).

**30. Company limited by guarantee**

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